

**Gresham-Barlow School District
Budget Committee Meeting
May 10, 2018 – 7 p.m.
Center for Advanced Learning
Partnership Room
1484 NW Civic Drive
Gresham, OR**

A G E N D A

1. Welcome and Opening Remarks Kris Howatt, Board Chair
2. Elect Chair and Vice-Chair Kris Howatt, Board Chair
3. Opening Comments Katrise Perera, Superintendent
4. Proposed Budget and Delivery of Budget Message Katrise Perera &
Mike Schofield, CFO
5. Proposed Budget Discussion Budget Committee Chair
6. Open Public Testimony Budget Committee Chair
7. Close Public Testimony Budget Committee Chair
8. Committee Action (optional) Budget Committee Chair
9. Set Agenda for Next Meeting / Thursday, May 17 Budget Committee Chair
10. Closing Remarks Katrise Perera
11. Adjourn

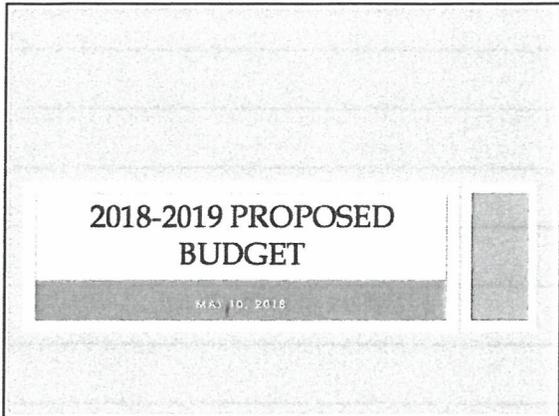
Committee’s Action

Approve 2018-2019 Budget:

- Move to approve the Gresham-Barlow School District Levy at the full permanent rate of **\$4.5268**
- Move to approve the 2018-2019 Debt Service Levy in the amount of **\$18,203,156**
- Move to approve the Gresham-Barlow School District 2018-2019 budget (all funds) in the amount of **\$502,926,209**

5/3/18 MS:sa





2018-19 BUDGET MESSAGE

1. **Priority 1 – Build and implement a framework that defines and aligns curriculum and assessment in academic areas, social-emotional learning, and digital literacy.**
2. **Priority 2 – Build and implement systems that give students a voice and make them feel comfortable, appreciated and understood.**
3. **Priority 3 – Build and implement a framework that is committed to high-quality, effective instructional practices.**

2018-19 BUDGET

- Process reminder
- 2018-2019 proposed budget (the numbers summary)
- Our demographics
- Budget modifications
- Assumptions
- On the horizon
- Our roles
- Next steps

THE PROCESS

- Executive Directory of Elementary and Deputy Superintendent of Teaching and Learning met with school principals regarding budget
- District Leadership Team met to prioritize budget needs and requests
- Community and staff involvement in prioritization
- MOST of the budget is determined by the number of students and student demographics – Formula driven
- Proposed budget is our best shot

THE NUMBERS

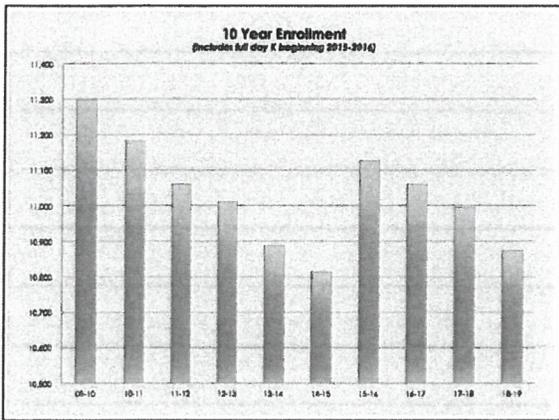
SUMMARY DATA

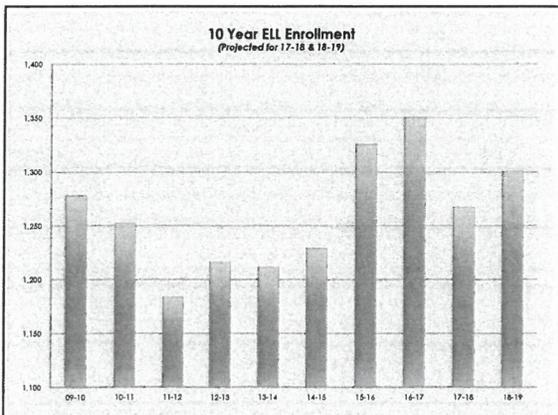
Financial Update - May 9, 2018

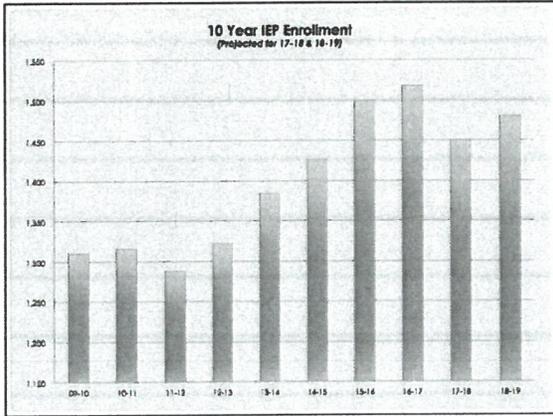
Resources	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Proposed	2019-2021 8% Rev. Inc.	2019-2021 10% Rev. Inc.	2019-2021 12% Rev. Inc.
Beginning Fund Balance	\$ 10,278,093	\$ 12,115,813	\$ 11,855,631	\$ 14,002,441	\$ 9,509,635	\$ 9,509,635	\$ 9,509,635
State Controlled	110,065,454	113,929,000	116,729,383	115,564,555	248,230,000	252,565,484	256,996,615
Locally Controlled	4,547,966	4,240,000	4,174,817	4,420,000	8,640,000	8,640,000	8,640,000
Total	\$ 124,891,513	\$ 130,284,813	\$ 132,759,831	\$ 133,986,996	\$ 266,379,635	\$ 270,715,119	\$ 275,546,250
Expenditures	2016-2017 Actual	2017-2018 Budget	2017-2018 Projected	2018-2019 Proposed	2019-2021 CSL	2019-2021 CSL	2019-2021 CSL
Salaries	\$ 56,623,543	\$ 58,611,831	\$ 57,769,251	\$ 60,351,047	\$ 129,410,793	\$ 129,410,793	\$ 129,410,793
Benefits	30,427,528	34,811,307	34,457,593	35,800,510	83,267,037	83,267,037	83,267,037
All Other	25,984,811	26,518,956	26,530,546	28,325,804	58,841,120	58,841,120	58,841,120
Contingency/Reserve	-	10,342,719	-	-	-	-	-
Total	\$ 113,035,882	\$ 130,284,813	\$ 118,757,390	\$ 124,477,361	\$ 271,518,950	\$ 271,518,950	\$ 271,518,950
Ending Fund Balance	\$ 11,855,631	\$ -	\$ 14,002,441	\$ 9,509,635	\$ (5,130,315)	\$ (803,821)	\$ 3,827,800
					Potential Cut \$6-\$7 million	\$5-\$6 million	\$1-\$2 million

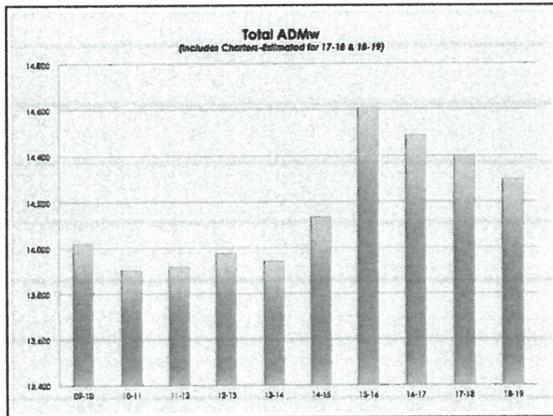
Assumptions:
 -Based on most recent ODE State School Fund updates for 2016-2017, 2017-2018 and 2018-2019, various biennium increases in 2019-2021
 -Includes most recent enrollment adjustments for 2017-2018, flat enrollment 2019-2021
 -Includes Bargained agreements, reasonable estimates for 2020-2021
 Staffing roll-up assumed in 2018-2019 current service level - same in 2019-2021
 Includes increase in PERS rates for 2017-2019 and new PERS reserve, estimate of 2019-2021 PERS increase included - PERS reserve included
 -Based on the best information available at this time

DEMOGRAPHICS









**CLASS SIZE PROJECTIONS 2018-2019
(DISTRICT AVERAGES)**

- Grades K-1 = 25:1 to 27:1
- Grades 2-5 = 30:1 to 32:1
- Grades 6-8 = 28:1*
- Grades 9-12 = 32:1*

*Core class sizes

BUDGET MODIFICATIONS

MAJOR BUDGET MODIFICATIONS

Modification (not in priority order)	Program Impact	Approximate Amount
Class size support/Enrollment "bubbles"	Priority 2	\$ 630,000
Curriculum	Priority 1	\$ 600,000
Administrative Staffing/Reorganization (salary and benefits)	Priority 1/2	\$ 290,000
Transportation Costs	Operations	\$ 380,000

- ### BUDGET ASSUMPTIONS
- Based on March - May 2018 ODE State School Fund information
 - Used priorities listed in budget message to develop the 2018-2019 budget
 - 1.5% wage increase for licensed and administrative staff, 0% increase classified (changing salary schedule)
 - Maintains PERS reserve (about \$1 million)

ON THE HORIZON

- Bargaining agreements in place thru June 2020.
- Enrollment
 - Will we grow?
- Bond (Thank you community!)
 - Construction beginning at Sam Barlow High, Gresham High, East Gresham Elementary and North Gresham Elementary
 - 2018 Projects
 - Secure vestibules
 - Select classroom door lock replacement
 - HVAC projects
 - Furniture replacement at middle schools
 - Powell Valley and Kelly Creek school improvements
 - Technology enhancements
 - New playgrounds at select elementary schools
- PERS – Rates going up for the next several years

ON THE HORIZON

- Mid-biennium. Revenue fairly predictable
- Economic Conditions
 - State Unemployment rate at 4.1% (high of 11.6% June 2009)
 - State of Oregon Office of Economic Analysis revenue forecast
 - Forecast due May 23, 2018

PERS

Introduction

- July: Board adopted updated valuation methods and assumptions, including 7.20% rate of return
- September: Milliman presented system-average results from the advisory December 31, 2016 valuation
 - December 31, 2017 actuarial valuation will develop rates for July 2019 – June 2021
- Today: Long-term financial modeling projections reflecting published investment results through September 30
 - System average contribution rates
 - System funded status
 - System unfunded actuarial liability (UAL)

OUR ROLES

- What are we appropriating? (fund/function)
 - 1000's Instruction
 - 2000's Support Services
 - 3000's Enterprise/Community
 - 4000's Capital
 - 5000's Debt
 - 6000's Contingency
 - 7000's Amounts Reserved

OUR ROLES

- What are our options?
 - Approve as proposed
 - Increase the appropriation (we think we'll get more)
 - Decrease the appropriation (we think we'll get less)
 - Move between functions – Program Changes?
- After Approval?
 - Tax rate and number limits for the Board and administration
- After Adoption?
 - Budget adjustments continue

NEXT STEPS

- Budget Document – Review
- What questions must be answered to approve the proposed budget?
 - Don't forget how we budget (line-by-line)

CONCLUSION

The 2018-19 budget has been informed by the priorities identified in the budget message.

Budget development is a multi-month process that has been led by the superintendent's leadership team and depended on the contributions of many throughout the organization and many regional and state partners

NEXT MEETING

Thursday, May 17, 2018 beginning at 7:00 p.m.
(if required)



Dr. A. Katrise Perera, Superintendent

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May 10, 2018

2018-19 Budget Message

The Gresham-Barlow School District budget message is designed to summarize the proposed budget. In developing this budget, the school district maintained a focus on its mission, "Every student prepared for a lifetime of learning, career opportunities, and productive contributions to the community." In addition, budget enhancements are included designed to aid the school district in achieving the three priorities identified through the school district's academic audit.

The budget was built on a funding level of \$8.2 billion for the 2017-19 biennium. This funding level allows the district to make some budget enhancements while also maintaining an estimated 7.6 percent ending fund balance. School board policy requires the District maintain a 5 percent ending fund balance.

Summary of Budget Enhancements

Priority 1: Build and implement a framework that defines and aligns curriculum and assessment in academic areas, social-emotional learning, and digital literacy.

The 2018-19 budget earmarks funds for curriculum adoptions in K-12 health, grades 3-8 science, and English language development instructional materials at the secondary level. The curricula adoptions will provide teachers with updated digital and hardcopy resources aligned with our current state standards that support equitable learning opportunities for the students we serve.

Priority 2: Build and implement systems that give students a voice and make them feel comfortable, appreciated and understood.

As state funding has rebounded from the recession, and the state of Oregon has invested additional funding in K-12 education, the District has worked to strategically lower class sizes. The 2018-19 budget includes funding for three additional FTE at the elementary school level for this purpose. Every additional teacher in the classroom makes a difference in a child's educational journey. Lower class sizes results in better personalized instruction and allows for much needed relationship building with students. The District also continually reviews its budget for efficiencies with the goal of redirecting funds to support our classrooms to increase student achievement.

Priority 3: Build and implement a framework that is committed to high-quality, effective instructional practices.

In the 2018-19 budget, the District seeks to expand high-quality, evidence-based instructional practices that support our diverse community of learners. The AVID Program (Advancement via Individual Determination) has a proven track record of closing the achievement gap and preparing students for college readiness and success in today's world. Currently, AVID is being implemented at 5 secondary school sites through a school-wide model to support equitable opportunities for all students. The core of the program places a special emphasis on growing writing, critical thinking, teamwork, organization and reading skills. Through a combination of grant funds and general operating funds, the District will expand the AVID program and begin offering it at the elementary level. Schools scheduled to become new "AVID" sites in 2018-19 are: West Orient Middle School, and Highland, Hollydale, and East Gresham Elementary Schools. With the addition of our newest sites, we will have half of our Gresham-Barlow schools providing support to students through AVID. Plans are under development to expand the program to even more schools in the future.

The budget includes general fund dollars combined with state funding from the High School Success Plan (Measure 98) for enhancements to the District's Career Technical Education (CTE) Program. The program will allow the District to bring innovative CTE opportunities to our students and build upon our partnerships with the business community.

The 2018-19 budget also includes funding to allow the school district to explore the feasibility and impact of a Dual Language Program. This type of program provides instruction in two languages and has been proven to lead to cognitive benefits and increased academic success for both native English speakers and speakers of the other language of instruction. It will also prepare our students to compete in a global economy. Students who participate in Dual Language Programs K-12, graduate bilingual, biliterate, and with a strong multicultural understanding as well. Plans are in place to explore instituting a model in Spanish, the District's most frequent non-English language.

The District will also continue its work to prepare students who are "Future Ready," by investing in high quality instructional practices that use technology to enhance learning. The budget includes funds for an innovation coach to support teachers in effectively leveraging the district investment in technology resources such as student devices and digital curriculum to maximize student learning. Previously this position was paid for by grant funds which will no longer be available.

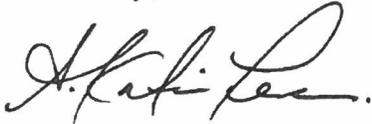
The District has identified funds in the 2018-19 budget to be used for additional educational assistant staff time at the elementary level. Educational assistants will be used to support student learning and will strategically be placed where there are large

class sizes. Having this additional support will allow schools to focus on improving instruction and supporting increased student outcomes.

Informed by the District's three priorities, the 2018-19 budget has been designed to support the District's work to achieve its mission to prepare its 11,500-plus students for successful lives following high school graduation and its vision to support dynamic learning opportunities led by accomplished educators.

Thanks to careful planning, the Gresham-Barlow School District is fortunate to be making budget enhancements for next school year. While funding in the next biennium (2019-2021) may bring new challenges due to increasing PERS costs, we will continue to work collectively to take the Gresham-Barlow School District to the next level and prepare all of our students for an ever-changing global world.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Katrise Perera". The signature is fluid and cursive, with a prominent loop at the end.

Dr. A. Katrise Perera,
Superintendent