



PROPOSED BUDGET



For Fiscal Year 2021-2022

**Hillsboro School District 1J / Administration Center
3083 NE 49th Place Hillsboro, OR 97124
www.hsd.k12.or.us**



HILLSBORO SCHOOL DISTRICT #1J
WASHINGTON COUNTY, OREGON
3083 NE 49th Place
Hillsboro, Oregon 97124

PROPOSED BUDGET

2021-22

*Prepared by the
Business Office staff*

Michelle Morrison, Chief Financial Officer

HILLSBORO SCHOOL DISTRICT 1J

Washington County, Oregon

TABLE OF CONTENTS

EXECUTIVE SUMMARY

Page

Budget Format	2
Budget Message	3
Budget at a Glance	4
Budget Planning Calendar	6
Extended Projection Assumptions	6
Budget Summary and Forecast All Funds	8
All Funds Salaries, Benefits and Positions History and Budget	9
Assessed Value and Property Tax Summaries	10
Debt Summary	11
Student Enrollment	12
The Board of Directors	13
Superintendent's Cabinet	14

ORGANIZATIONAL SECTION

The District and the Community	16
District Strategic Plan	18
Budget Presentation	27
State Funding of K-12 Education	28
Budget Process and Timeline	30
District Organization Chart	32
School Zone Map	33

FINANCIAL SECTION

Financial Overview	36
General Fund Revenues	38
General Fund Expenditures	43
General Fund Expenditures by Object	45
General Fund Expenditures by Function	50
Budget Function Descriptions	54
Special Revenue Funds	63
Special Revenue Fund Revenues	67
Special Revenue Fund Expenditures by Object	69
Special Revenue Fund Expenditures by Function	72
Debt Service Fund	74
Debt Service Fund Revenues	75
Debt Service Fund Expenditures by Object	75
Debt Service Fund Expenditures by Function	75
Capital Construction Fund	76
Capital Construction Fund Revenues	79
Capital Construction Fund Expenditures by Object	79

HILLSBORO SCHOOL DISTRICT 1J

Washington County, Oregon

TABLE OF CONTENTS

Capital Construction Fund Expenditures by Function	80
Internal Service Fund Resources and Expenditures	81

INFORMATIONAL SECTION

Summary of Revenues & Expenditures History and Budgeted – All Funds.....	84
Assessed Value and Real Market Value of Taxable Property	84
Property Tax Levies and Collections	85
Tax Rate Effect on Taxpayers.....	85
Student Enrollment History.....	86
Budget General Obligation Bonds Schedule	89
Budget Situation Retrospective.....	90
Glossary of Terms and Acronyms.....	98

(This page intentionally left blank)

EXECUTIVE SUMMARY



HILLSBORO SCHOOL DISTRICT 1J
EXECUTIVE SUMMARY
TABLE OF CONTENTS

<u>EXECUTIVE SUMMARY</u>	<u>Page</u>
Budget Format	2
Budget Message.....	3
Budget at a Glance	4
Budget Planning Calendar	6
Extended Projection Assumptions	6
Budget Summary and Forecast All Funds.....	8
All Funds Salaries, Benefits and Positions History and Budget	9
Assessed Value and Property Tax Summaries	10
Debt Summary	11
Student Enrollment	12
The Board of Directors	13
Superintendent's Cabinet	14

BUDGET FORMAT

Welcome to the Hillsboro School District budget document. The following section is a guide for navigating the budget document's format and organization as well as the budget preparation process.

The budget document is organized into four sections:

- Executive Summary
- Organizational Section
- Financial Section
- Informational Section

The Executive Summary includes the Budget Message and an overview of the 2021-22 budget. The narrative presents the budget in the context of the District's Strategic Plan. In addition, summary budget information is presented as well as budget forecasts and student enrollment history and projections.

The District Goals and Budget Committee for 2021-22 are included in the budget document. The Budget Committee and School Board are jointly responsible for oversight and approval of the budget, and the School Board makes appropriations and imposes taxes.

The Budget at a Glance highlights major budget changes from 2020-21 with an emphasis on the General Fund.

The Organizational Section is comprised of general information about the District and its budget, including the level of education provided, geographic area served, and number of schools and students. Also included in this section are significant budget and financial policies, procedures and regulations as well as a detailed description of the budget process.

The Financial Section contains required information for the District's funds and descriptions of significant revenue sources and expenditure categories.

The Informational Section includes detailed historical and projected personnel resource allocations, property tax information and other performance measures used by the District.



BUDGET MESSAGE

In accordance with ORS 294.391, Superintendent Mike Scott will present the 2021-22 Budget Message for Hillsboro School District 1J at the Budget Committee meeting be conducted in an online format and livestreamed at www.hsd.k12.or.us/livestream on April 27, 2021, at 5:15 p.m.

Public comment can be mailed or e-mailed in advance to romanr@hsd.k12.or.us or submitted via webform at <http://bit.do/hsdpubliccomment> . Comments will be read aloud during audience participation time at the meeting.

The budget message will be recorded in the 2021-22 Approved Budget document, which will be presented at the Budget Hearing on June 22, 2021.

BUDGET AT A GLANCE

- The 2021-22 school year is the first year of the 2021-2023 biennial funding cycle of the State of Oregon.
- Although enrollment is expected to increase due to the availability of new housing in the district, the recent trend is flat with a slight decline as graduating classes are larger than incoming Kindergarten classes. Birth rates are down, and student mobility factors indicated that students are leaving the district and/or not returning after break periods. The district is predicting a return to “pre-COVID” enrollment after the public health crisis has passed.
- The General Fund operating revenue is projected to increase by \$8.1 million, or 3.32 percent based on the Current Service Level¹ appropriation to K12 of \$9.6 billion.
- Student Investment Account Funds will continue to be utilized for costs eligible under the act required to maintain the Current Service Level (CSL). Services totaling \$4.65 million were required in 2020-21 and are ongoing. A State School Fund appropriation level of less than \$9.6 billion will require additional resources from other sustainable resources.
- Special Revenue Funds are estimated to increase by \$17.1 million due to a temporary increase in federal resources for pandemic relief and increases to state allocations due to the Student Success Act.
- Debt Service will increase by \$683,497 to meet the principal and interest payments for capital construction and pension obligation bonds.
- The Capital Construction Fund appropriated at the level required to complete projects according to district timelines and per the ballot title approved by voters in 2017.
- The Internal Services Fund represented the PERS Reserve available for transfers to offset increasing pension costs in the General Fund and were exhausted over the 2017-2019 biennium.
- Smarter School Spending framework is used to align improved student achievement with a focus on equitable access to learning for traditionally underserved students and students with barriers to success the [Educational Equity Policy JBB](#).
- To the extent possible, the budget must ensure financial stability through the end of the 2021-23 biennium and look to sustainable future services. The COVID-19 pandemic impact to the economy is becoming clear and it is critical to maintain stability by using conservative assumptions and flexible strategies. Pandemic-

¹ Current Service Level is determined by the Confederation of School Administrators and the Oregon Association of School Business Officials. The Governor’s Recommended Budget is \$9.1b and the Legislative Co-Chairs’ budget has yet to be released. District management will align expenditures to the final actual appropriation level of the State School Fund.

related federal funding will be targeted to meeting the basic needs, social and emotional supports, and accelerated learning opportunities. Because they are temporary by design, they may not be used for current service level operations.

- The District will target a 4 percent General Fund ending balance over the biennium. Although this has been a standard for the last few years, the District experienced a General Obligation Unlimited Tax (GOUT) and Full Faith and Credit (FFC) ratings downgrade by [Moody's Investor Service on March 15, 2021](#), due to lack of enrollment growth and operational fund balance of less than 15% (optimum).
- The District will continue to utilize Special Revenue Funds such as the Construction Excise Tax, SB1149 (Senate Bill 1149, est. 2002, public purpose charge for energy conservation strategies), and Bond funds for eligible expenses to reduce the impact of operational budget reductions to instruction.
- Federal program revenues are based on historical trends and estimates provided by the [Oregon Department of Education](#).



BUDGET PLANNING CALENDAR

Hillsboro School District Budget Development activities are listed in the table below.

Date	Activity
June 23, 2020	Appoint Budget Officer
December 12, 2020	Appoint Budget Committee Members to Vacant Positions
February 9, 2021	Budget update during Board Work Session
February 23, 2021	Budget Planning Calendar Approved
March 16, 2021	Budget update during Board Work Session
April 13, 2021	Budget update during Board Work Session
April 27, 2021	Budget Committee Meeting: Committee members review proposed budget documents, receive Budget Message, and may approve the budget for Hearing
May 6, 2021	Additional Budget Committee Meetings (if needed)
June 22, 2021	Budget Hearing: Board Adopts Budget, Makes Appropriations, Declares the Levy.
July 15, 2021	Levy Certified to Assessor, and Adopted Budgets distributed per Local Budget Law and district best practice.

EXTENDED PROJECTION ASSUMPTIONS

The following assumptions describe the budgetary outlook beyond the current annual budget adoption:

Revenues

- State School Fund revenue will increase by 5.0% per year (property and income taxes) and will be held harmless from further “carve-out” grant designations.
- Measure 98 funds for College and Career Readiness and Drop-out Prevention will be sustained and accounted for as a Special Revenue Fund.
- The Student Investment Account will be fully funded per statute and revenue availability.

- Federal grant funds will be based on historical funding levels and estimates from the Oregon Department of Education, if they are available, including aid for the pandemic period.
- Other local revenue collections will grow at an annual rate of 4 percent.
- Annual District & ESD Local Revenue increase 3 percent.
- Enrollment is based on historical trend analysis and projected impact of new residential development. Although the 2019-20 student enrollment decreased during the pandemic period, estimates are based on a return to a “Pre-COVID” enrollment trend.
- There are zero fund transfers in or out of the General Fund.
- The Capital Construction Fund bond revenue will be invested per policy and earn interest to be used in the “out” years between bond asks of the community. The 2017 Bond authorization is divided over two sales (2017, 2020) to provide cash flow in accordance with the project schedule.

Expenditures

- The budget assumes a full school year, with no reductions to the targeted investment areas of the Arts, Athletics, Activities, TAG, STEM/STEAM, or serving students in poverty.
- PERS payroll rate remains flat over the next several biennium based on the most recent valuation, bond debt service rates, and impact of the state level system reforms provided by Senate Bill 1049².
- Debt service requirements are calculated on a consolidated schedule based on current obligations, assessed property values, and collection rates.
- Staffing projections are based on the 2019-20 current service level and aligned with Student Investment Act and full funding of Measure 98. Licensed staffing will be adjusted in 2020-21 according to student enrollment. Class size targets are tiered by grade level: Kindergarten, 26:1; Grades 1-2, 27:1 (reduced from 28:1); and Grades 3-12, 29.5:1 (reduced from 31:1).
- There is a 7.0 percent annual increase in utility, equipment, and property/liability costs, and a 4.0 percent annual increase in supply costs.
- Non-consumable supplies for technology, equipment, energy-savings improvements, and certain maintenance services up to \$2,000,000 annually may be paid from Bond Funds if aligned with the ballot title.
- The General Fund end balance will remain at the 4.0 percent target.

² <https://www.oregon.gov/pers/EMP/Pages/Employer-Rate-Summary.aspx>,
<https://www.oregon.gov/pers/EMP/Pages/Employer-Rate-Projection-Tool.aspx>

BUDGET SUMMARY AND FORECAST - ALL FUNDS

Although costs continue to increase, the forecast for all funds is decreasing through 2023-24 due to the spend down of the 8-year capital construction bond, fluctuations in debt service funds and anticipated flat funding from the State School Fund in the next biennium, as well as projected flat enrollment.

Budget Summary – All Funds Table*

History and Projections	Prior Year Actual	Current Year Budget	Next Year Budget	Current to Next Year	Year 1 Projected	Year 2 Projected	Year 3 Projected	6 Year Average Annual
Fund	FY 2019-20	FY 2020-21	FY 2021-22	% Change	FY 2022-23	FY 2023-24	FY 2024-25	% Change
General (Operational)	\$235,437,847	\$242,875,026	\$250,935,863	3.32%	\$259,264,233	\$267,869,015	\$267,869,015	2.30%
Special Revenue	\$39,690,948	\$55,567,555	\$72,663,082	30.77%	\$72,663,082	\$54,663,082	\$56,302,974	6.98%
Debt Service	\$50,429,533	\$51,492,124	\$52,175,621	1.33%	\$52,868,191	\$53,569,953	\$54,281,031	1.27%
Construction	\$402,955,590	\$186,302,038	\$83,250,000	-55.31%	\$29,987,500	\$15,000,000	\$7,500,000	-16.36%
Internal Services	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	-16.67%
Total	\$728,513,918	\$536,236,743	\$459,024,566	-14.40%	\$414,783,006	\$391,102,050	\$385,953,020	-7.85%

***Notes:**

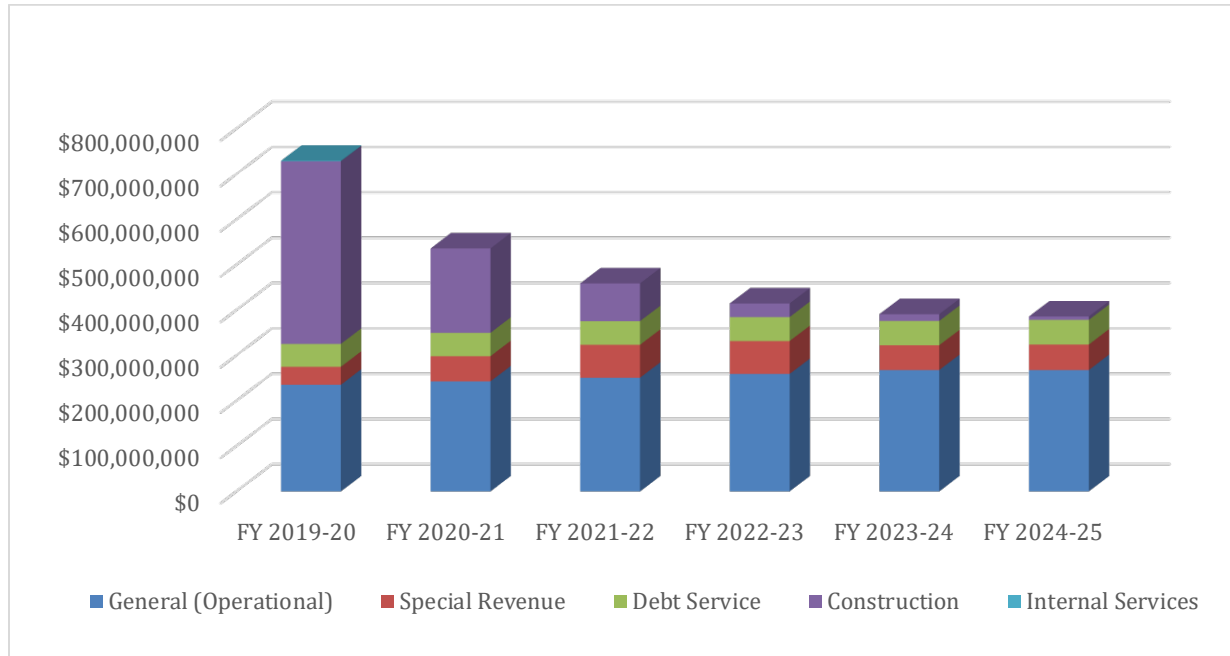
General Fund: Estimated to continue to grow at 3.32% (at \$9.6 Current Service Level State School Fund).

Special Revenue Funds: ESSER Funds exhausted after FY 2022-23, creates a significant drop. SIA and HSS projected steady at full funding for 2021-22 and beyond.

Debt Service: Estimated to grow by historical 1.33% annual per debt schedule and tax collection rates.

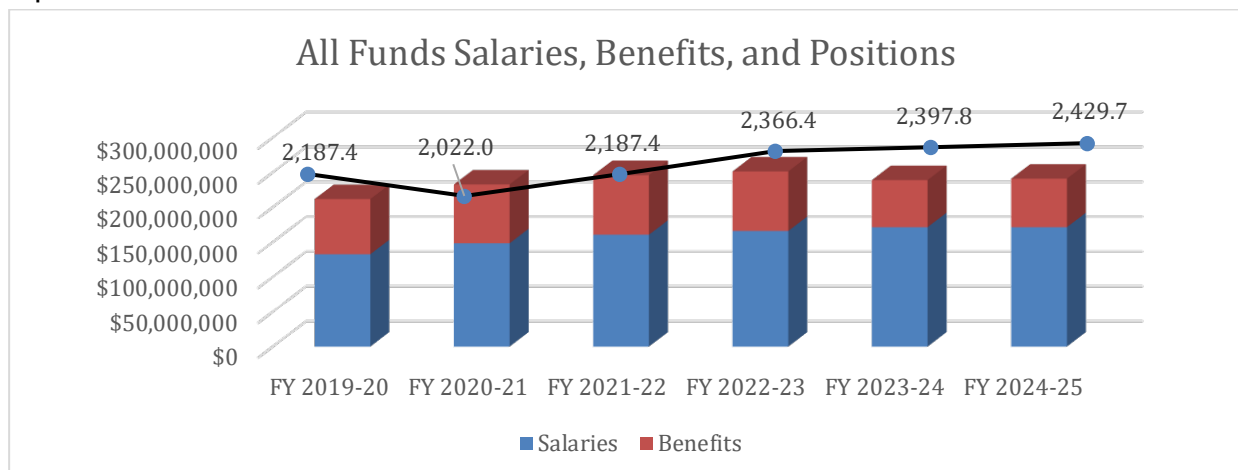
Construction: Steady spending down of bond proceeds according to project plan.

Budget Summary – All Funds*



ALL FUNDS SALARIES, BENEFITS AND POSITIONS – HISTORY AND BUDGET

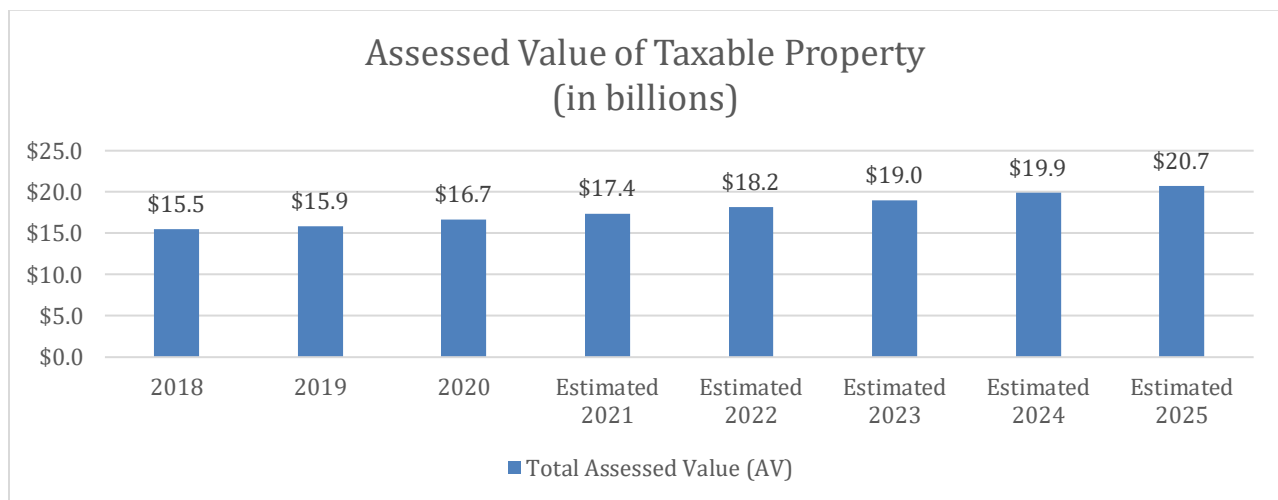
The District is experiencing an increase of 8.28% in salaries for the 2020-21 budget year, largely due to federal pandemic assistance funds, and the passage of the SSA in Oregon in the spring of 2019 which fully funds HSS and invests \$13.6 million dollars in the SIA for the District. Benefits have increased by 1.32% from the 2019-20 Adopted Budget due mainly to the increase in the salaries noted above. Overall, this is an increase of 5.75% for the 2021-22 budget from the prior year in salary and benefits and an increase of 8.18% in positions.



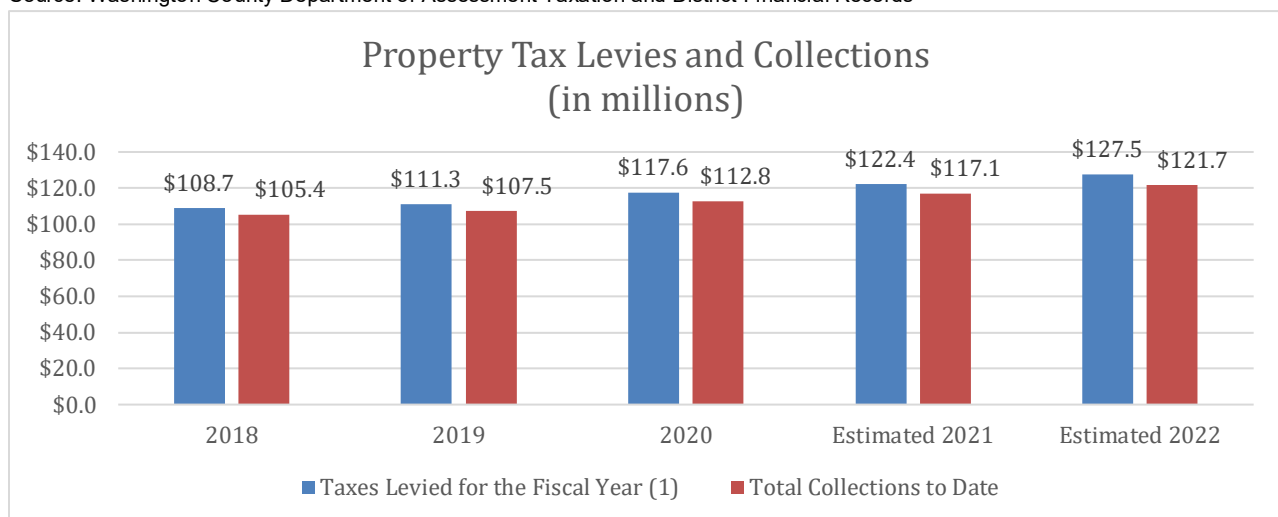
ASSESSED VALUE AND PROPERTY TAX SUMMARIES

The permanent tax rate is determined by the State of Oregon Constitution and State Statutes. Existing districts cannot increase their permanent rate authority. Rates for debt services are set based on each year's requirements.

Tax Rates	2017-18	2018-19	2019-20	2020-21	Projected 2021-22
Permanent Tax Rate per \$1,000 of AV	4.9749	4.9749	4.9749	4.9749	4.9749
Bond Tax Rate per \$1,000 of AV	2.1763	2.1639	2.2049	2.2755	2.1956
Average Assessed Value ³	261,070	270,208	279,432	287,220	296,508



Source: Washington County Department of Assessment Taxation and District Financial Records



(1) Amounts are based upon tax collection year July 1 to June 30.

³ <https://www.co.washington.or.us/AssessmentTaxation/publications.cfm>

DEBT SUMMARY

General Obligation Bonds – On November 20, 2012, the District issued \$98.9 million in General Obligation Bonds with an interest rate of 1.5% to 5.0%. In November 2017, the District passed a \$408 million capital project levy. In December 2017, the District issued a \$268.4 million general obligation bond series and realized an unamortized premium of \$51.6 million, with an interest rate of 3.0% to 5.0%. In February 2020, the District issued a \$139.6 million general obligation bond series and realized an unamortized premium of \$27.7 million, with an interest rate of 1.5% to 5.0%. In October 2020, the District refunded the GO Bond Series 2012 in the amount of \$40.4 million with an interest rate of 0.22% to 0.75%.

Pension Obligation Bonds – During the 2004-05 fiscal year, the District participated in pooled issuances of taxable pension obligation bonds to pay off a portion of the District's unfunded actuarial liability. The District issued \$102,850,000 in debt as part of a pooled issuance of \$458,620,000.

In May 2015, the District issued \$39.86 million in taxable pension obligation bonds to finance the District's estimated PERS unfunded actuarial liability. Bond proceeds were paid to the Public Employee Retirement System (PERS). An intercept agreement with the State of Oregon was required as a condition of issuance; therefore, a portion of State School Support is withheld on a monthly basis to repay debt. Annual principal and interest payments are made each June 30, ending June 2034.

Qualified Energy Conservation Bonds – In March 2016, the District entered into a direct placement agreement for an Energy Conservation Bond in the amount of \$3.4 million. The bond has an interest rate of 3.46% which is largely offset by tax rebates to the issues as a participant in the [Quality Energy Conservation Bond](#) program.

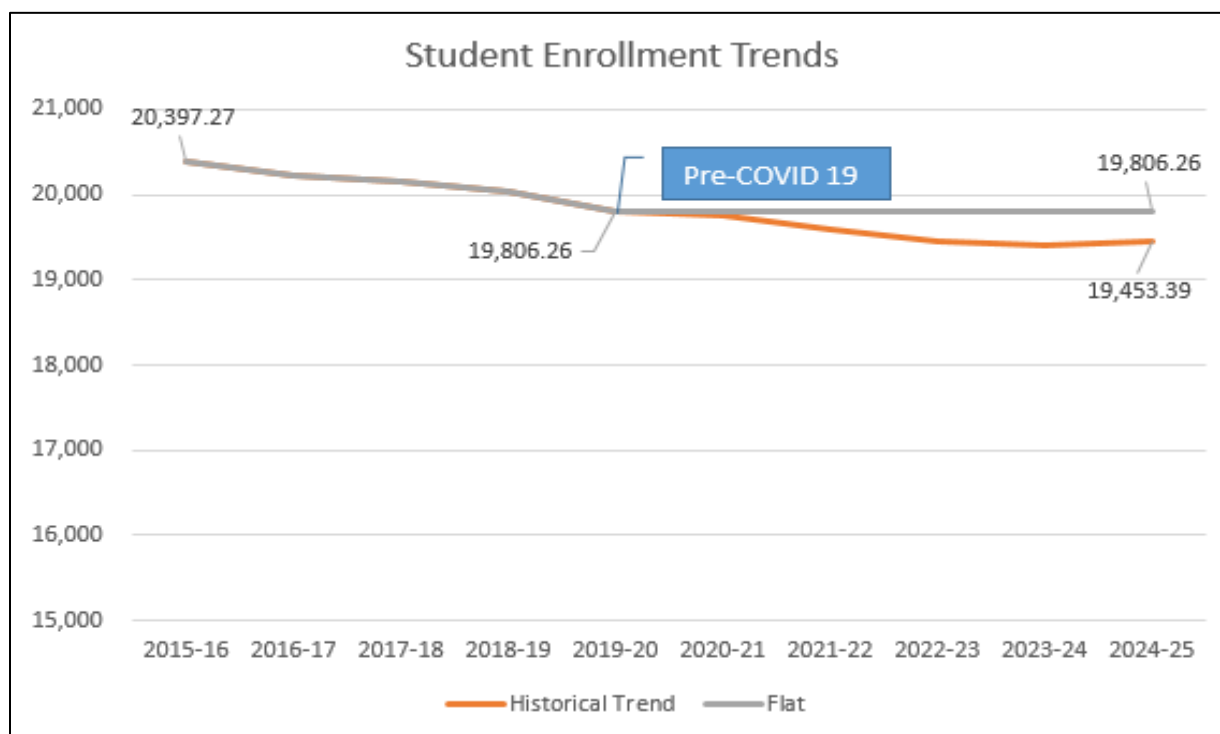
Capital Leases - The District entered into lease agreements as lessee for financing the acquisition of buses for student transportation in 2015-16 for \$1,967,423, 2016-17 for \$1,254,560, 2017-18 for \$1,294,571, 2018-19 for \$1,084,810 and 2019-20 for \$1,200,388. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the net present value of their future minimum lease payments as of the inception date. The capital lease obligations are paid by the Special Revenue Fund, which is funded by a transportation grant from the State School Fund. The District is on a schedule to decrease financing transactions for bus purchases by the end of FY 2024.

Changes in long-term obligations for the year are as follows:

Governmental Activities Description	Outstanding July 1, 2020	Increases	Decreases	Outstanding June 30, 2021
General obligation bonds	\$463,395,000	\$40,360,000	\$53,050,000	\$450,705,000
Unamortized Premium	72,330,507	-	3,965,117	68,365,390
Total General obligation bonds, net	535,725,507	40,360,000	57,015,117	519,070,390
Pension obligation bonds	104,510,000	-	7,855,000	96,655,000
Notes from direct placements and borrowings:				
Qualified energy cons. bond	2,164,679	-	429,554	1,735,125
Capital leases	2,348,222	1,237,085	1,279,482	2,305,825
Total	\$644,748,408	\$41,597,085	\$66,579,153	\$619,766,340

STUDENT ENROLLMENT

The District's adopted budget requirements are based on the number of projected students. State School Funding, the primary source of District revenue, is calculated based on the number and demographic of students enrolled.



THE BOARD OF DIRECTORS

Hillsboro School District is governed by a Board of Directors, comprising seven elected members serving four-year terms. Board members are community volunteers and do not receive compensation for their work. The Board annually elects a chairperson and a vice-chairperson from the seven members. The Board has legal authority over all public schools in the Hillsboro School District, within the framework set by the Oregon Legislature and the State Board of Education. The Board acts to interpret the educational needs of the District, then meets those needs with policies and facilities that motivate students and stimulate the learning process. The Board is also responsible for employing the Superintendent to administer the District. Public meetings notices and documents can be found here: <https://www.hsd.k12.or.us/board>.

The ongoing duties of the Board include allocating resources, formulating policy, and interacting with the community in support of the District's mission and the objectives of the Strategic Plan. The Board members and their terms are as follows:

<p><u>Position 1</u> Erika Lopez July 2017 - June 2021</p> 	<p><u>Position 2</u> Mark Watson July 2017 - June 2021</p> 	<p><u>Position 3</u> Martin Granum July 2017 - June 2021</p> 	<p><u>Position 4</u> See Eun Kim July 2019 - June 2023</p> 
<p><u>Position 5</u> Lisa Allen July 2019 - June 2023</p> 	<p><u>Position 6</u> Jaci Spross July 2017 - June 2021</p> 	<p><u>Position 7</u> Yadira Martinez February 2019 - June 2023</p> 	<p><u>Student Representatives</u> Mya Smith Ilhaam Ikramullah Devlin Knill</p>   

SUPERINTENDENT'S CABINET

Superintendent Mike Scott was appointed by the Board to serve as the Chief Executive Officer of the District. The Superintendent is a professional educator employed to advise the Board on all matters concerning management of the schools, and to administer laws, regulations, and policies adopted by the Board.

As the leader for teaching and learning in Hillsboro School District, the Superintendent is responsible for guiding the development of the curriculum and educational programs that address the needs of students, and providing leadership and advocacy for education. The Superintendent is accountable for the fiscal management of the District, guiding the direction of employees, and ensuring their ongoing professional development.

Cabinet

Michelle Morrison- Chief Financial Officer

Dayle Spitzer – Assistant Superintendent for School Performance

Travis Reiman – Assistant Superintendent for Academic Services

Beth Graser – Chief Communications Officer

Francesca Sinapi – Equity, Access & Engagement Officer

Casey Waletich – Chief Operations Officer

Kona Lew-Williams – Chief Human Resources Officer

Jordan Beveridge – Chief Information & Technology Officer

Adam Stewart – Capital Projects Officer

The Chief Financial Officer oversees preparation, delivery, and monitoring of the district budget in accordance with Local Budget Law, district policy, and at the direction of the Superintendent. The full cabinet is actively involved in budget development to ensure program fidelity with resources and for planning student success.





ORGANIZATIONAL SECTION



HILLSBORO SCHOOL DISTRICT 1J
ORGANIZATIONAL SECTION
TABLE OF CONTENTS

<u>ORGANIZATIONAL SECTION</u>	<u>Page</u>
The District and the Community.....	16
District Strategic Plan	18
Budget Presentation	27
State Funding of K-12 Education	28
Budget Process and Timeline	30
District Organization Chart	32
School Zone Map.....	33

THE DISTRICT AND THE COMMUNITY

Hillsboro School District, a unified school district, is the fourth largest of 197 districts in Oregon, enrolling approximately 3.5 percent of the total Kindergarten through 12th Grade student population. The District serves approximately 19,596 students during 2021-22 and operates four high schools, four middle schools, twenty-five elementary schools, two alternative education schools, one online academy, and one charter school.

Hillsboro is conveniently located 18 miles west of Portland (Oregon's largest metropolitan city), 60 miles east of the Oregon coast, and 80 miles from the ski slopes of the Cascade Mountains. Encompassing 195 square miles, Hillsboro School District serves families from the communities of Hillsboro, North Plains, Cornelius, Aloha, and a portion of Sherwood. District property is located in three separate counties: Washington, Multnomah, and Yamhill.

From high-tech companies to institutions of higher education, strong community partners provide extensive resources to the District through grants, volunteering, and donations. The City of Hillsboro is a key partner with Hillsboro School District, providing an abundance of parks, recreation, and after-school and summer programs for children.

Hillsboro's government takes pride in its business-like efficiency, concern for livability, and careful planning for residential and industrial growth. Professionally advanced police and fire departments provide comprehensive emergency response service to community residents. In addition, residents of all ages have access to parks, libraries, and community centers that provide recreational, educational, and social opportunities.

Hillsboro School District 1J was formed in July 1996 through the unification of a union high school district and its six feeder elementary school districts. This unification was accomplished under a plan developed and approved by each of the seven prior district governing bodies in response to a unification deadline mandated by Oregon State Statutes. The seven previously independent districts were Hillsboro Union High School District and the Farmington View, Groner, Hillsboro, North Plains, Reedville, and West Union Elementary School Districts.

The District, a fiscally independent entity, is organized with a seven-member elected Board of Directors and a Board-appointed budget committee. In 2020-21, management staff consisted of 1 superintendent, 2 assistant superintendents, 6 executive directors, 10 directors, 3 coordinators, 1 chief financial officer, 1 chief human resources officer, 1 capital projects officer, 1 chief communications officer, 1 chief operations officer, 1 chief information and technology officer, 35 principals, and 16 assistant-principals. The Board of Directors approves the hires of all management staff members. The District also employs 1,130 teachers and 1,244 support staff, including instructional assistants, secretaries, clerks, bus drivers, cooks, custodians, maintenance workers, and various other professional and technical staff.

The District's Strategic Plan articulates the District's mission, goals, and focus areas as it strives to increase the achievement of all students. The 2016-21 Plan has a laser-like focus

on maximizing the student experience and ensuring that students leave the system prepared for success in post-secondary endeavors and civic life. Goals are identified annually to move toward all students graduating with career-and college-readiness skills. Progress data is shared with the community annually in March. Program offerings include music, art, leadership, athletics, clubs, AVID, International Baccalaureate, STEM/STEAM, mentorships, internships, dual language, bilingual programs, special education and transition services, student transportation, nutrition services, dual credit, Advanced Placement, and much more.

The District has had two major additions to its facilities. Series 2001 general obligation bonds financed the construction of two elementary schools and one high school; the purchase of additional land for future school facilities; and safety, security, and seismic upgrades to existing District facilities. The 2006 general obligation bonds financed the construction of four elementary schools and one middle school, as well as expanding and remodeling existing District facilities.

The community voted again in November 2017 to approve the sale of \$408 million in bonds for capital projects. These bonds are being issued in two separate sales in order to align the proceeds with the cash flow requirements of project expenditures as described in the ballot title. The 2017 Bond was defined as a “renewal” levy that replaced expiring debt service items without increasing the tax rate per thousand of assessed value to local constituents. Additional facilities are a replacement of Brookwood Elementary School, and new elementary schools in North Plains and south Hillsboro to accommodate growth due to new residential development.



DISTRICT STRATEGIC PLAN

The Strategic Plan is intended to provide direction and purpose to all aspects of District and school activities. The plan is intentionally flexible in structure with a central objective, consistent areas of accountability, and annually-developed action plans and goals to directly address areas where growth needs to be made and where successes can be capitalized upon for the year ahead.

The plan has three main components:

1) The overarching plan, which provides a broad overview and remains consistent over the five-year term; 2) the annual Report of Student Achievement (Key Academic Achievement Indicators); and 3) the Annual Work Plan and SMART Goals. Taken together, these documents should provide a comprehensive snapshot of the District's mission, strategic objective, beliefs, key initiatives, student achievement progress, and implementation plans and goals at any given time.

In the 2016-2022¹ Strategic Plan, you will find the following:

- | | |
|-------------------------------------|--|
| • <i>Mission Statement</i> | <i>An actionable, concise statement of our purpose as an educational system.</i> |
| • <i>Strategic Objective</i> | <i>The end goal and results we want to achieve.</i> |
| • <i>Our Pride</i> | <i>A memorable tagline that indicates our collective pride.</i> |
| • <i>Agreements and Commitments</i> | <i>Our goals and values as a system.</i> |
| • <i>Focal Areas</i> | <i>A division of our work based on the relevance and impact to students and their educational experience and outcomes.</i> |

The Strategic Financial Plan and Smarter School Spending

The Hillsboro School District joined the Alliance for Excellence in School Budgeting in 2017. The alliance consists of school districts across the nation participating in a budget development process called Smarter School Spending (S3), which was founded on best practices and is endorsed by the Government Finance Officers Association. Each district undergoes a thorough assessment to determine readiness for transition to the Smarter School Spending budget development process.

¹ The operational period of the Strategic Financial Plan has been extended to 2022 to align with the renewal of the District's Continuous Improvement Plan.

One of the critical components of the process is developing a Strategic Financial Plan that identifies the resources required to remain focused on investments that increase student achievement. Fortunately, in Hillsboro there is already a stakeholder-driven 6-year Strategic Plan in place and it is possible to identify the resources that support it. The five phases of budget development are listed in the table below, as are the district activities under way to move this work forward.

Smarter School Spending	Action	Timeline
Plan and Prepare	<ul style="list-style-type: none"> Budget Development Cycle 	<ul style="list-style-type: none"> Annual
Identify Priorities	<ul style="list-style-type: none"> Strategic Plan Components 	<ul style="list-style-type: none"> 5 years with annual targets
Pay for Priorities	<ul style="list-style-type: none"> Identify/allocate resources in alignment with Strategic Plan Apply Academic Return on Investment 	<ul style="list-style-type: none"> Annual, continuous Ongoing with annual updates
Implement Plan	<ul style="list-style-type: none"> Central- and Building-Level Staffing Discretionary Budget Allocation 	<ul style="list-style-type: none"> Annual Annual
Ensure Sustainability	<ul style="list-style-type: none"> Implement Cost Analysis Action Plan items Analyze implemented action items for actual savings yield 	<ul style="list-style-type: none"> Conduct in alignment with the Strategic Plan



Plan and Prepare


 Set Instructional
Priorities


Pay for Priorities



Implement Plan



Ensure Stability

Aligning Resources with Strategic Plan Goals

During the 2019 Legislative Session, state leaders authorized a new Corporate Activity Tax with revenues targeted to K-12 education, the Student Success Act. This unprecedented investment is estimated to yield \$2.0 billion every biennia to fund the Student Investment Act, Statewide Education Initiatives (including full funding of Measure 98 High School Success) and Early Learning. In Hillsboro, for the 2021-22 school year, the yield is expected to be \$13.6 million dollars. In 2020-21, \$4.6 million was used to continue eligible services that

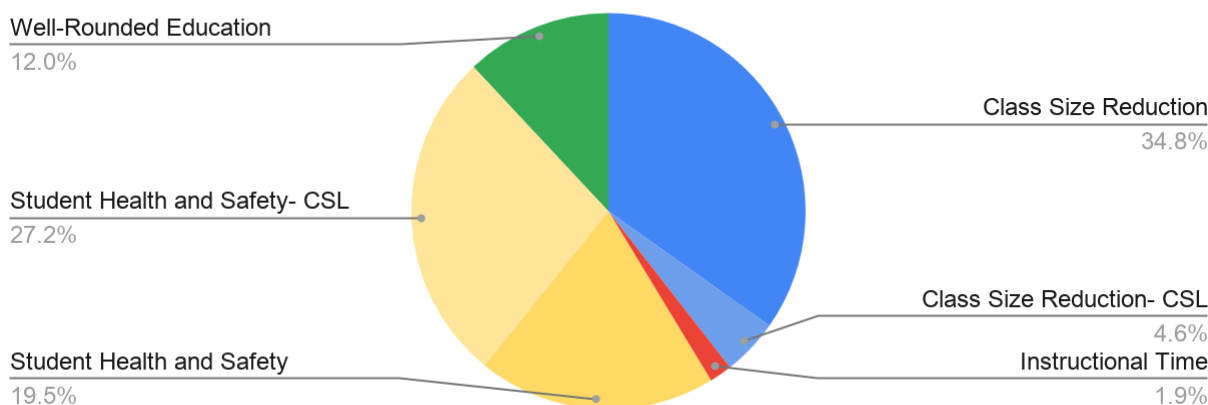
would have been eliminated due to a general fund budget shortfall. The remaining \$9.0 million dollars available in 2021-22 will be utilized for eligible services to students under the Student Investment Account guidelines.

In order to access the Student Investment Account (SIA) funds, District staff engaged in a thorough stakeholder engagement process, specifically designed to gain insight on how to better serve traditionally underserved students and families. Initially, staff aligned the investments with the state-required Continuous Improvement Plan (CIP), a set of goals and strategic activities to meet those goals, and measurable outcomes. After many feedback sessions and iterations, the application for funds includes items under each of the 4 areas allowed under the grant, including \$4.6 million in services that would otherwise be targeted for reduction due to underfunding of the operational budget. Areas and activities are outlined in the table below.

SIA Area	Investments	Impact	Metrics
Class Size Reduction	Class Size & Caseload	-Student contact time -Inclusive schools -Student engagement -Interventions and extensions	-3rd grade reading -9th grade on-track -Grad rates -Diversity of staff
	Professional Development		
Student Health & Safety	Mental and Behavioral Health	-More counselors, nurses, and school psychologists -Direct services to students	-3rd grade reading -9th grade on-track -Grad rates -Regular attenders ↑
Learning Time	After School Partnerships	-Academic supports -Extracurriculars/Co-curriculars -Equitable access	-3rd grade reading -9th grade on-track -Grad rates -Regular attenders ↑
Well-Rounded Learning	Curriculum	-Tools for teaching -Tools for learning	-3rd grade reading -9th grade on-track -Grad rates -Regular attenders ↑
	Educator Pathways	-Inclusive schools -Student engagement	-3rd grade reading -9th grade on-track -Grad rates -Regular attenders ↑ -Diversity of staff

In order to increase transparency in the financial plan, the following chart was presented to the school board during public sessions to represent the proportionality of community priorities in the final application. (CSL = 2020-21 current service level items.)

SIA 4.0



Other Smarter School Spending Strategies

Cost Analysis Action Plan- Implementation and Evaluation

The goal of the Cost Saving Analysis completed in 2018 was to help the District team identify potential opportunities to reallocate resources to address the District's strategic priorities. The formalized assessment of 31 potential opportunity areas encouraged the Smarter School Spending Team to consider changes that at first glance may not seem to have high potential, but are worthy of further investigation.



There are two main types of resource reallocation opportunities targeted in the Cost Savings Analysis:

1. Can the District free up funds for its strategic priorities?
2. Can the District increase the impact of current spending at little or no additional cost, thereby reducing the need to free up funds for priorities?
3. Some opportunities are a combination of both.

As part of the Continuous Improvement Process, District staff will conduct the analysis again in 2021 in alignment with the development of the 2021-2026 Strategic Plan.

Review of Services for Struggling Learners

The District engaged in a thorough technical review of Services for Struggling Learners in February and March 2019 with [District Management Group](#) (DMGroup). After gathering data through interviews and other collections, DMGroup developed a list of recommendations for District staff to use for a custom action plan to ensure resources for struggling learners are in alignment with best practices. See below for review highlights.

Commendations:

1. The district is committed to improving the quality of education for all students.
2. The district has made efforts to develop systems that will support students' social, emotional and behavioral needs by creating wellness centers and hiring student success coaches.
3. The district has instituted common interim assessments for elementary schools.
4. The district has expanded supports for English Language Learners (EL) students.
5. The district developed a system for more closely monitoring the use and hiring of regular and special education assistants.
6. District leaders are open to making bold, significant changes to better support all students.

Recommendations:

1. Ensure that general education teachers are well equipped to meet the needs of nearly all students, including students who struggle.
2. Create a model intervention plan for both elementary and secondary schools that schools can opt into and receive additional supports for.
3. Ensure sufficient mental health expertise at each school by revisiting current staffing levels and proactively pursuing community partnerships.
4. Refine and streamline the district's approach to providing supports to EL students by codifying implementation practices at all levels.
5. Encourage special education staff to align their strengths whenever possible to improve work satisfaction and student outcomes.
6. Develop an inclusive planning process that identifies concrete steps, ownership, and measures of success with disciplined, monitored implementation over a 3-year period.



Academic Return on Investment²

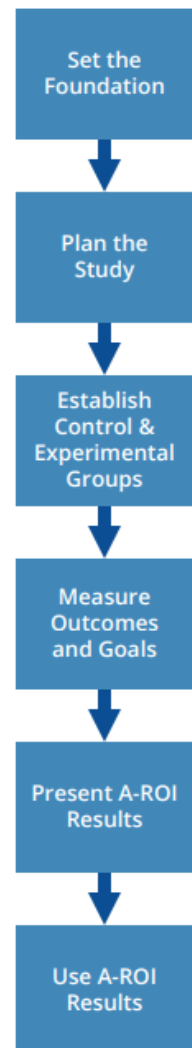
Academic return on investment (A-ROI) is the practice of scientifically evaluating the cost-effectiveness of academic programs and using that information to allocate resources accordingly. Put more simply, A-ROI is a structured approach to getting the highest value in terms of student achievement and has six conceptual foundations:

1. Reconsider your knowledge of what really works.
2. Define the problem before seeking its solution.
3. Follow the scientific method.
4. Seek out the greatest net benefit.
5. Ignore costs that have already been incurred and cannot be recovered.
6. Pay attention to opportunity costs.

Practitioners, including school district leaders and professional education researchers, have learned a great deal about how to be successful with A-ROI. This paper divides their lessons into six categories that represent the stages of progression through A-ROI, as shown in the diagram to the right.

The Smarter School Spending (S3) Team identified 4 areas of study for A-ROI and accompanying “Theories of Action” that apply the logic, “if we do (this), then we should expect (these outcomes).” Each area has an assigned S3 Team subgroup and lead contact that identified data points to be tracked longitudinally to determine the effectiveness of the initiative at the district level.

Although the A-ROI analysis was interrupted by the pandemic which required drastic and new methods of engaging students, the methodology will be applied again to the four study areas described below.



AREA 1: Student Success Coaches

Theory of Action: If we invest in Student Success Coaches, then teachers will receive the coaching and support to gain the skills to teach students regulation strategies. This will increase students' learning and therefore decrease the need for Limited Student Support (LSS) and reduce the number of negative student discipline interactions.

The 2017-18 Year established baseline data in three categories and 3 sub-categories: Limited Student Support Requests, Newly Eligible for Special Education, and Behavior Referrals for students in Kindergarten through 2nd Grade. Sub-categories were all students, boys only, and boys of color.

² Foundations and Smart Practices, January 2017, Kavanaugh and Levenson, <https://www.gfoa.org/materials/academic-return-on-investment-foundations-and-smart>

AREA 2: Grad Coaches

Theory of Action: If we have Graduation Coaches at every grade level in high school working with counselors, administrative team and parents to support student needs, then we will see fewer dropouts, increased attendance, more passing grades in core classes, and more students graduating career and college ready.

Measurables have been identified as 1) graduation data for 4 and 5 year cohorts, 2) non-completers, and 3) "On Track" data that may predict whether or not students are statistically on target to graduate on time.

AREA 3: HSD Preschools

Theory of Action: If we have HSD Preschools, then students will transition into Kindergarten "school ready" and will be more successful in subsequent years.

Schools and Community

- Families, schools and community partners act in partnership to support our children's development into thriving community members
- Stronger school-family partnerships beyond preschool

Students

- Social and emotional stability
- Trusting relationships
- Challenge themselves
- Self-reliance
- See themselves as part of a broader cultural world

Measurables for this area will be collected for three categories 1) HSD Preschool, 2) Headstart, and 3) no preschool experience. Skill areas will be self-regulation and interpersonal skills, English letter sounds, and early math.

AREA 4: Wellness Centers

Theory of Action: If we create wellness centers and increase our professional development for staff around trauma-informed practices, then we will better meet students' needs and create a safer and more engaging school environment for students and staff.

Brookwood Elementary School piloted the first Wellness Center and data is focused there over a period of 4 years to track 1) all students, 2) English Language Learners (EL's), and 3) students that are experiencing disabilities (have IEP's).

Data sets will be collected for major and minor behavior referrals, chronic absenteeism, and staff attrition by classification.

Leadership Approach to Program Changes

New programs provide an opportunity to use the District's resources to achieve the District's student learning goals in new and exciting ways. Some programs new to the District have already been successfully implemented in other districts and have data to support their viability. Other programs are ones that the District has developed using research and best practices and is spearheading to lead positive change. In many cases, evidence may not be immediately available, as quality programs take time to implement with fidelity and to produce sustainable results.



Analysis of Expected Costs and Benefits:

The proposal for a new program will be accompanied by a thorough analysis of its expected costs and benefits. Staff shall develop methods to test the strength of the assumptions upon which these expected costs and benefits are based. The proposal for the new program should also clearly identify the goals and criteria that will be used to evaluate the program's effectiveness.

Preference for Pilot Programs:

Whenever possible, new programs will initially be tested on a "pilot" basis. The length of the pilot or experimental period can and will vary according to the nature of the program, but there should be a clearly defined beginning and ending point. This strategy is intended to mitigate the risk associated with new programs and maximize the benefit they generate in alignment with the District's Strategic Plan and Strategic Financial Plan.

Funding for the pilot program is exclusively for the timeframe of the pilot period. After the pilot period ends, the District formally assesses the effectiveness of the program against its stated goals and then makes a formal decision on whether to: 1) Discontinue the program; 2) Continue the pilot or expand its scope for purpose of further study; or 3) Move beyond the pilot to full implementation.

Preference for Measuring Academic Return on Investment:

Academic Return on Investment (A-ROI) measures the cost of the program against the benefit the program provides in terms of improvements to student learning, in alignment with the District's Strategic Plan and Strategic Financial Plan. Whenever possible, and especially for large new programs, staff shall develop the means to collect the data necessary to calculate A-ROI for that program.

Special thanks to contributors:

Mike Scott, Superintendent

Adam Stewart, Capital Projects Officer

Travis Reiman, Assistant Superintendent, OSP

Dayle Spitzer, Assistant Superintendent, OSP

Beth Graser, Chief Communications Officer

Kona Lew-Williams, Chief Human Resources Officer

Jordan Beveridge, Chief Information Officer

Elaine Fox, Executive Director of Student Services

Rian Petrick, Exec. Dir. of Extracurricular Activities

Nathan Roedel, Executive Director of Nutrition Services

Olga Acuña, Director of Federal Programs

Tom Luba, Coordinator of Assessment & Data Analytics

Casey Waletich, Chief Operations Officer

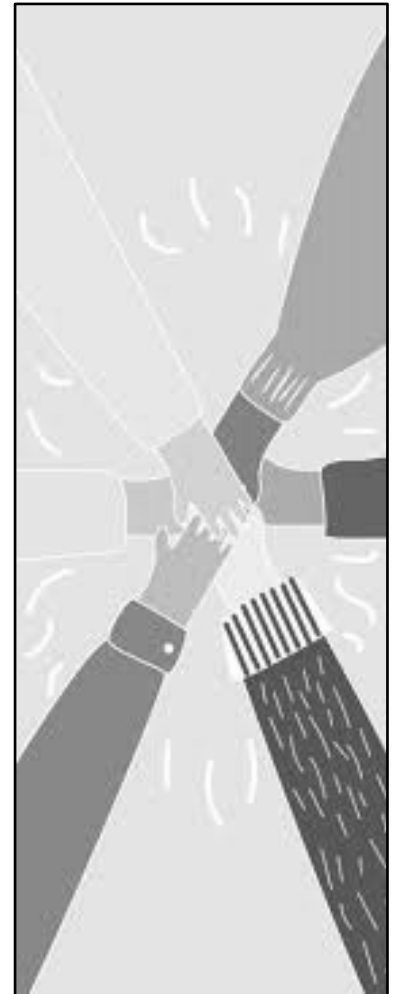
Michelle Morrison, Chief Financial Officer

Audrea Neville, Director of Schools, OSP

Francesca Sinapi, Equity, Access & Engagement Officer

Jeff Jones, Manager of Business Services

Kori Sakamoto, District Data Technician



BUDGET PRESENTATION

Hillsboro School District is proud to publish and provide budget information to the Budget Committee and our community. The District's goal is to present the budget data in a manner that provides a clear, accurate account of the District's educational programs and services for the 2020-21 fiscal year. The information contained in this budget document has been developed, in part, from a combination of District staff and community feedback.

We welcome the opportunity to discuss any financial information or to answer questions regarding the data presented in this report. Current information regarding budget development is available by request or on the internet at <https://www.hsd.k12.or.us/Page/2060>.

General Fund – The General Fund is the District's primary operating fund and accounts for all revenues and expenditures except those required to be accounted for in another fund.

Expenditure categories include salaries and associated payroll costs, purchased services, supplies and materials, capital outlay and other general expenses. Expenditures are presented by major function categories which contain program descriptions, budgeted positions. In addition, explanations are available for significant variances which exist between the 2020-21 and 2021-22 budgets.

Revenue comes from two main sources: state funding and local property taxes. The state revenue and local property taxes are components of the State School Fund (SSF), which make up 93.3% of all General Fund revenue. The SSF is allocated through a school equalization formula that includes initial weighting for the number of students and extra weightings for specific types of students: Special Education, English Language Learners, poverty, foster care and pregnant and parenting. The calculation consists of three grants including: general purpose, transportation, and high cost disability grants.

Special Revenue Funds – Special Revenue Funds are used to account for proceeds of specific revenues from federal, state, and local sources that are legally restricted to expenditures for specified purposes.

The Major Grant Funds are described below and there is a full list of Special Revenue Funds in the Budget Summary Section.

- Title I- Improving Basic Programs Operated by Local Education Agencies
- Title IIA- Supporting Effective Instruction
- IDEIA- Individuals with Disabilities Education Improvement Act
- Measure 98- High School Success
- Student Investment Account



- Federal Funds for COVID-19 Relief
- Nutrition Services
- Other Special Revenue Funds (Student Body Accounts, local/private grants, etc.)

Debt Service Fund – Accounts for the District’s payment of principal and interest on long-term obligations, including General Obligation (GO) bonds, Limited Tax Pension Obligations and Full Faith and Credit Obligations (FFCO). GO bonds allow the District to finance capital projects such as the construction of new schools, rebuilding schools and equipment and require Voter approval. Limited Tax Pension Obligation bonds were issued to finance the District’s unfunded actuarial liability in the Oregon Public Employees Retirement System in 2005 and 2015. Principal revenue sources are property taxes, construction excise tax and charges to other funds.

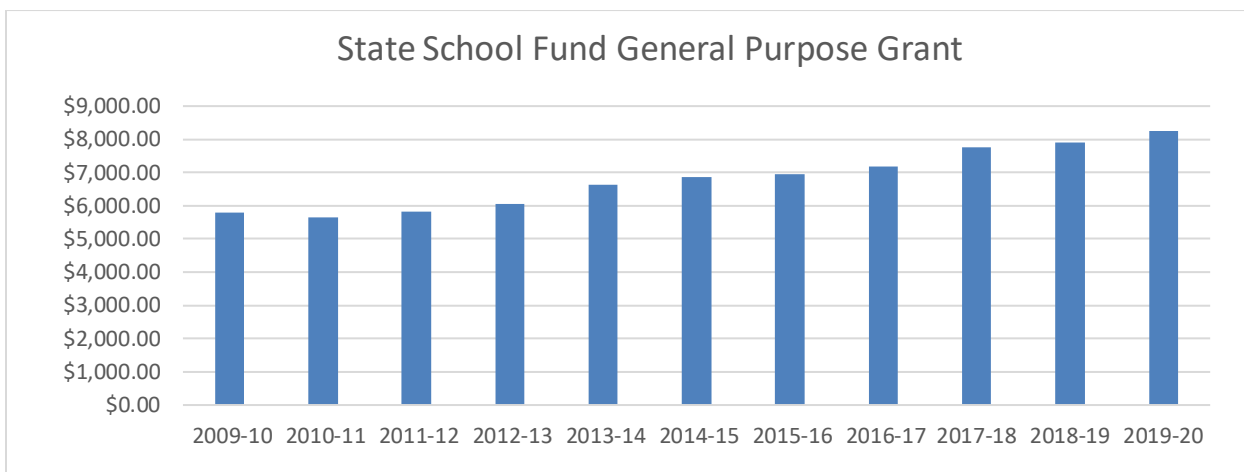
Capital Projects Fund – Accounts for activities related to the acquisition, construction, and improvement of District facilities and equipment. The Capital Construction Fund consists of funds used to complete projects associated with the 2017 bond issue to reaching the goal of an “equitable learning environment” for all students in all schools.



STATE FUNDING OF K-12 EDUCATION

During the 1990s, Oregon voters approved a property tax limitation that shifted major responsibility for funding K-12 programs from local property taxes to Oregon’s general fund. The measures approved by the voters required the Oregon Legislature to replace these property taxes. As property taxes were reduced, the reliance on the State General Fund increased.

The State School Fund (SSF) allocates funding for each attending student in Oregon through a weighted distribution system. A ten-year historical review of the SSF dollars per ADMr (Average Daily Membership) as shown in the chart below.



Without a state sales tax, Oregon's primary revenue sources are the state income tax and lottery revenues. Therefore, funding levels for K-12 education statewide are significantly affected by fluctuations in the economic climate. In addition, prior to 2007, Oregon's Kicker Law required the state to return any income tax collections in excess of two percent of projections to tax payers. The Rainy Day Fund established by ORS 293.144 in 2017 represented an attempt to stabilize state funding.

The unprecedented economic recession, which began during the second half of 2008, necessitated reductions of nearly \$70 million to Hillsboro School District's current service level budgets. The reductions have included reduced staffing, lost school days, and reduced budgets at every level. With a slow and stable recovery, the District has been very deliberate with targeted investments and fair bargaining to maintain competitive compensation packages for staff within locally bargained agreements and state and federal regulations.

Paying for Priorities and the Budget Cycle

July- Implementation of budget (including changes)

October/November- Multi-year Program Analysis (A-ROI)

November- update enrollment and Current Service Level (CSL) projections

January- Determine program changes to align resources with priorities (sunset, modify, pilot, expand)

Budget development cycle begins, monthly Budget Committee

March- ODE Estimates Released (prior year reconciliation, current year update, new year projections)

April to June- Propose/Approve/Adopt Budget

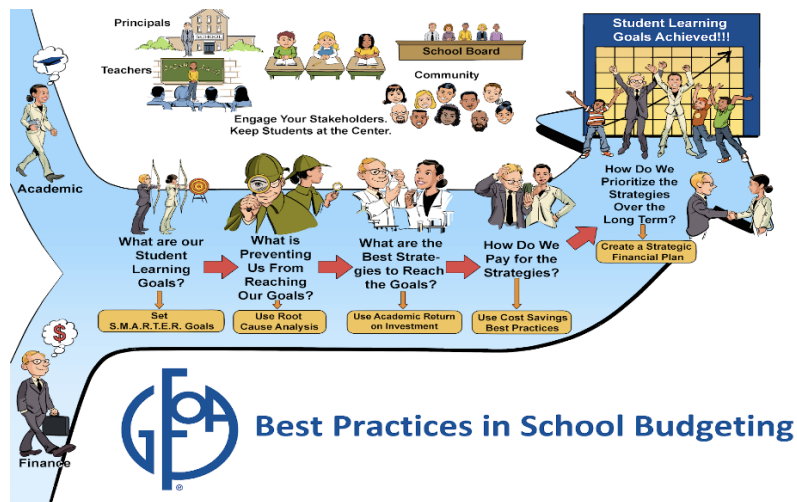


Staffing Timeline

January- Preliminary staffing allocations based on budget information and anticipated attrition

March- Recruitment

June- Contracts issued



BUDGET PROCESS AND TIMELINE

The Hillsboro School District's Budget Committee comprises all seven Board members and an equal number of community members who are appointed by the Board. Staff members are not eligible to serve on the Budget Committee.

The Budget Committee members are appointed for three-year terms. The terms are staggered so that, as near as practicable, one-third of the appointive members' terms end each year.

According to Board policy DBEA: Budget Committee, "The budget committee shall hold one or more meetings to receive the budget message, receive the budget document, and provide members of the public with an opportunity to ask questions about and comment on the budget document." Those official meetings occur annually each spring.

Budget Committee Membership:

Designation Position	Elected Board Member	Term Expires	Appointed Community Member	Term Expires
Position 1	Erika Lopez	2021	Dawn Wallace	2023
Position 2	Mark Watson	2021	Michael Smith	2023
Position 3	Martin Granum	2021	Nina Carlson	2021
Position 4	See Eun Kim	2023	Kristine Adams- Wannberg	2021
Position 5	Lisa Allen	2023	Kim Strelchun	2022
Position 6	Jaci Spross	2021	Monica Uribe	2022
Position 7	Yadira Martinez	2023	Kevin Murphy	2022
Student Representative	Mya Smith			
Student Representative	Ilhaam Ikramullah			
Student Representative	Devlin Knill			

Hillsboro School District Budget Development activities are listed in the table below. The items may be modified as relevant information becomes available. Please watch for new information on the Budget Matters website.

Date	Activity
June 23, 2020	Appoint Budget Officer
December 12, 2020	Appoint Budget Committee Members to Vacant Positions
February 9, 2021	Budget update during Board Work Session
February 23, 2021	Budget Planning Calendar Approved
March 16, 2021	Budget update during Board Work Session
April 13, 2021	Budget update during Board Work Session
April 27, 2021	Budget Committee Meeting: Committee members review proposed budget documents, receive Budget Message, and may approve the budget for Hearing
May 6, 2021	Additional Budget Committee Meetings (if needed)
June 22, 2021	Budget Hearing: Board Adopts Budget, Makes Appropriations, Declares the Levy.
July 15, 2021	Levy Certified to Assessor, and Adopted Budgets distributed per Local Budget Law and district best practice.

Publications:

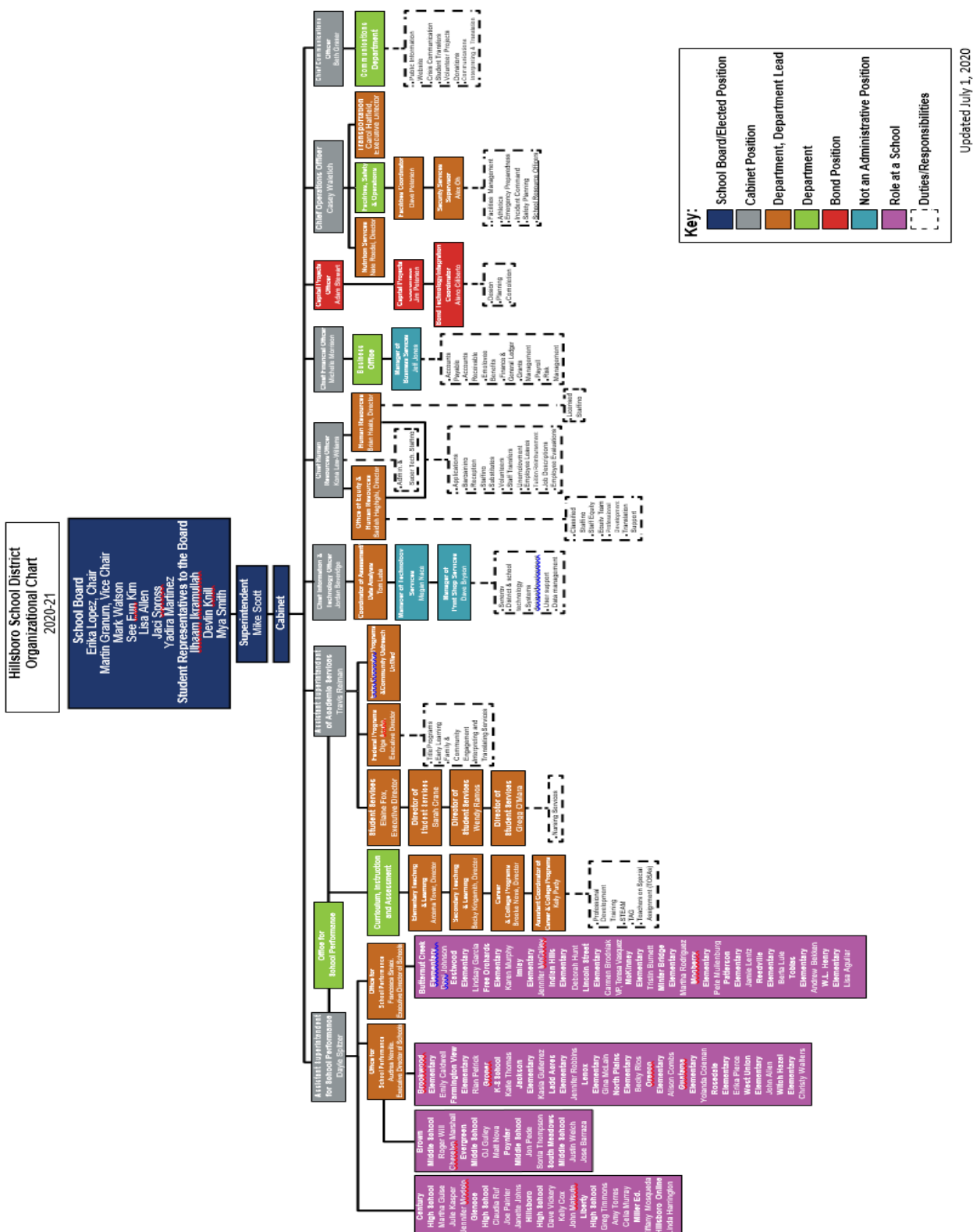
Per local budget law (ORS 294), the Notice of Budget Meeting will be published in the *Hillsboro Tribune* twice; the first time not more than 30 days prior to the meeting date and the second time not less than 5 days prior to the meeting (with a minimum of 7 days in between publications).

The Notice of Budget Hearing and Budget Summary will be published once not more than 25 days or less than 5 days prior to the Budget Hearing date.

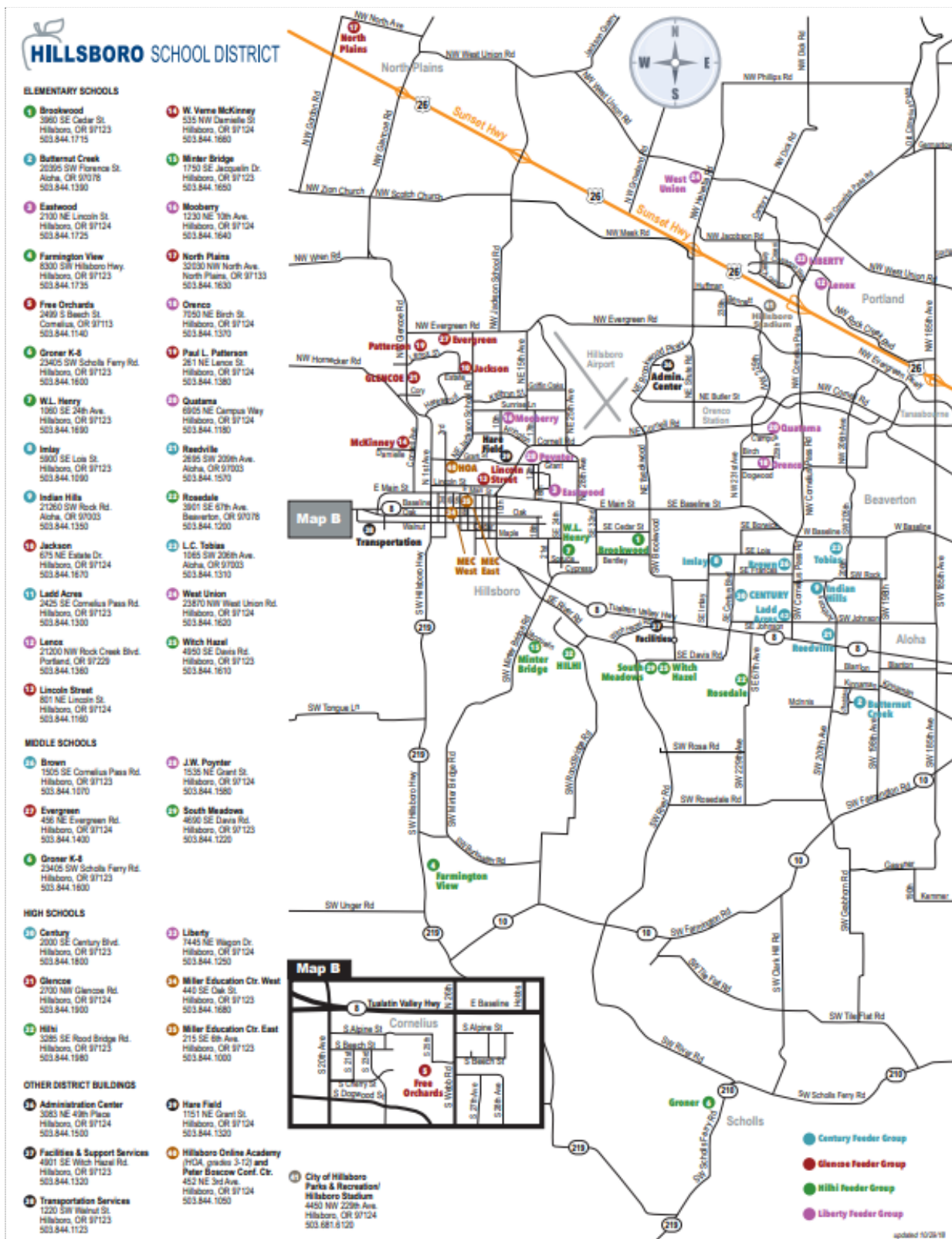
Public Meeting Format Changes due to COVID-19:

A public meeting of the Budget Committee will be conducted in an online format and livestreamed at www.hsd.k12.or.us/livestream. This is a public meeting where deliberation of the Budget Committee will take place. Public comment can be mailed or e-mailed in advance to romanr@hsd.k12.or.us or submitted via webform at <http://bit.do/hsdpubliccomment>. Comments will be read aloud during audience participation time at the meeting.

DISTRICT ORGANIZATIONAL CHART



DISTRICT SCHOOL ZONE MAP



(This page intentionally left blank)

FINANCIAL SECTION



HILLSBORO SCHOOL DISTRICT 1J
FINANCIAL SECTION
TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>Page</u>
Financial Overview	36
General Fund Revenues	38
General Fund Expenditures	43
General Fund Expenditures by Object.....	45
General Fund Expenditures by Function	50
Budget Function Descriptions	54
Special Revenue Funds	63
Special Revenue Fund Revenues	67
Special Revenue Fund Expenditures by Object.....	69
Special Revenue Fund Expenditures by Function	72
Debt Service Fund.....	74
Debt Service Fund Revenues	75
Debt Service Fund Expenditures by Object.....	75
Debt Service Fund Expenditures by Function	75
Capital Construction Fund.....	76
Capital Construction Fund Revenues	79
Capital Construction Fund Expenditures by Object	79
Capital Construction Fund Expenditures by Function	80
Internal Service Fund Resources and Expenditures	81

FINANCIAL OVERVIEW

The Financial Section contains detailed information on Hillsboro School District revenues and expenditures in the 2020-21 budget. The initial part of this section is a summary for all funds. The remaining portion of this section includes more detail with narratives and financial reports for revenues and expenditures by fund.

Classification Structure

The primary elements used to classify revenues and expenditures are fund, function and object. Funds represent the highest level of the classification structure. Functions are group-related activities aimed at accomplishing a major service. The seven major categories are Instruction, Support Services, Enterprise & Community Services, Facilities Acquisition & Construction, Long-Term Debt Service, Transfers and Contingency (Other Uses of Funds). Under Oregon Budget Law, budgets are appropriated (adopted) at these levels. Objects are used to describe the type of good or service and are broken down into eight categories: Salaries, Associated Payroll Costs, Purchased Services, Supplies & Materials, Capital Outlay, Other Expenses, Transfers and Contingency.

Fund Number	Description	Amount
100	GENERAL FUND	\$250,935,863
SPECIAL REVENUE FUNDS		
2XX	OTHER RESTRICTED GRANTS	\$3,972,699
202	HILLSBORO SCHOOLS FOUNDATION	\$70,000
203	TITLE I SUMMER MIGRANT	\$400,000
205	TITLE VI	\$30,000
208	TITLE IA/ IASA	\$3,668,000
212	TITLE IC (MIGRANT)	\$1,100,000
213	TITLE IC PRESCHOOL-MIGRANT	\$82,000
218	TITLE III	\$350,000
221	TITLE IIA IMPROVE TEACHER QUALITY	\$450,000
222	TITLE I/PERKINS VOCATIONAL TECHNOLOGY	\$110,000
225	SECONDARY CAREER PATHWAYS	\$175,000
226	MY FUTURE MY CHOICE	\$33,000
227	FEDERAL COVID FUNDS- ESSER	\$18,600,000
229	M99 - OUTDOOR SCHOOL	\$250,000
231	IDEA (PL 101-476)	\$2,600,000
233	VISION SCREENING GRANT	\$22,000
235	REGIONAL AUTISM SERVICES	\$512,000
238	EXTENDED ASSESSMENT	\$7,000
239	NWRES	\$75,000
240	MEYER MEMORIAL GRANT	\$75,000
242	MCKINNEY VENTO	\$50,000
245	CCD/TEEN MOM GRANT	\$50,000
246	WORK SYSTEMS SUMMER PROGRAM	\$279,000

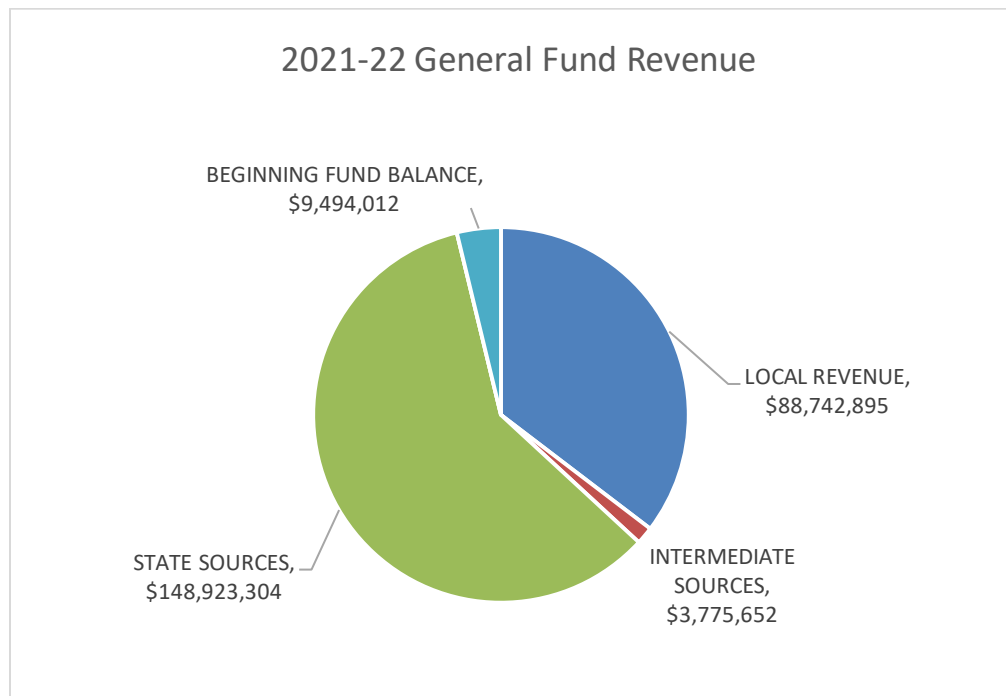
247	OREGON DEPARTMENT OF HUMAN SERVICES	\$180,000
251	SSA/SIA	\$13,600,000
259	PHYSICAL EDUCATION EXPANSION K-8	\$20,000
261	CHESS FOR SUCCESS	\$15,000
263	COFFEE SHOP	\$85,000
266	ENERGY TRUST INCENTIVES	\$36,000
269	MEDICAID ADMINISTRATION CLAIMING	\$100,000
270	NIKE GRANT	\$50,000
272	LULAC NATIONAL EDUCATION SERVICE CENTER	\$5,000
275	DONATIONS FUND	\$1,290,000
277	NUTRITION SERVICES FUND	\$11,794,268
280	CONSTRUCTION EXCISE TAX	\$2,550,115
282	ENERGY EFFICIENT SCHOOLS SB	\$400,000
283	SYNOPSYS	\$10,000
286	INTEL FOUNDATION GRANTS	\$170,000
288	KINDERGARTEN PARTNERSHIP GRANT	\$270,000
289	PRE-SCHOOL PROMISE GRANT	\$102,000
292	STUDENT BODY FUNDS	\$2,350,000
296	FOSTER CARE TRANSPORTATION	\$25,000
298	M98 CCR AND DROP-OUT PREVENTION	\$5,200,000
299	TRANSPORTATION EQUIPMENT FUND	\$1,450,000
TOTAL SPECIAL REVENUE FUNDS		\$72,663,082
3XX	DEBT SERVICE FUNDS	\$52,175,621
4XX	CAPITAL PROJECTS FUNDS	\$83,250,000
TOTAL BUDGET FOR ALL FUNDS		\$459,024,566

BUDGET GENERAL FUND REVENUE

The General Fund is used to account for all transactions related to the District's operations, except those required to be accounted for in other funds. Major revenue sources include local property taxes and the State School Fund.

General Fund expenditures encompass the day-to-day operations of the District, except for those expenditures related to programs funded by federal, state, and local sources for designated purposes, payment of bonded debt, capital facility acquisition and construction, food service, internal services, and trust/agency.

General Fund expenditures are subject to appropriation. Year-end unreserved fund balances are carried forward to the following year as Beginning Fund Balances.



GENERAL FUND REVENUES

Current Year's Taxes

The current tax levy is one of the main sources of revenue for funding the operation of the Hillsboro School District. It is based on the assessed valuation of all taxable property within the District. It is collected by the County Treasurer and includes current taxes, prior year taxes, and any penalties or interest paid.

The tax amount remains stable due to property tax limitation Ballot Measures 5, 47, and 50. The current rate is \$4.9749 per \$1,000 of assessed value to support the General Fund.

2018-19 Actual	2019-20 Actual	2020-21 Adopted	2021-22 Proposed
\$76,145,402	\$78,417,736	\$82,507,073	\$85,131,045

Interest on Investments

Interest on investments is interest earned from the investment of District revenue. Investment of all funds is the responsibility of the Chief Financial Officer and follows the District investment policy.

2018-19 Actual	2019-20 Actual	2020-21 Adopted	2021-22 Proposed
\$1,182,493	\$952,124	\$1,200,353	\$500,343

Other Local Revenue

Other local revenue consists of fees, building rentals, rebates, refunds, and gate receipts.

2018-19 Actual	2019-20 Actual	2020-21 Adopted	2021-22 Proposed
\$1,212,752	\$1,615,783	\$2,764,971	\$3,111,507

County School Fund

An act of Congress granted roughly 6 percent of acquired state lands for the support of K-12 education. Revenue comes from state leasing rights, unclaimed property, forest management, and gifts. The funds are invested and the earnings are distributed to K-12 districts.

2018-19 Actual	2019-20 Actual	2020-21 Adopted	2021-22 Proposed
\$676,651	\$382,069	\$496,500	\$482,040

ESD Pass-Through Dollars

The Northwest Regional Education Service District (NWRESA) provides a menu of services for districts to purchase using service credits. Revenue from the state flows through the NWRESA to the individual districts as either service credits to be used for support in special education, curriculum planning, or professional development, or as cash (up to 90 percent).

2018-19 Actual	2019-20 Actual	2020-21 Adopted	2021-22 Proposed
\$3,345,833	\$3,197,681	\$3,293,612	\$3,293,612

State Sources

State sources make up approximately 59.3 percent of all revenue received in the General Fund. The State School Fund, Common School Fund, state timber taxes, and transportation reimbursement comprise state sources. The Oregon Department of Education is required to provide districts with estimates of State School Support in March of each year. The current estimate is based on a \$9.6 billion K-12 allocation for the 2021-23 biennium.

2018-19 Actual	2019-20 Actual	2020-21 Adopted	2021-22 Proposed
\$133,882,639	\$140,781,871	\$143,160,594	\$148,923,304

Other Sources

Other sources comprise revenue from transfers and the sale of District assets.

2018-19 Actual	2019-20 Actual	2020-21 Adopted	2021-22 Proposed
\$1,042,832	\$41	\$42,832	\$0

Beginning Fund Balance

The Beginning Fund balance is rolled over from the Ending Fund balance of the prior year, and is used to provide revenue until tax revenues are received in November. The 2021-22 Beginning Fund balance of \$9,409,012 is 3.32% percent of the total revenues.

2018-19 Actual	2019-20 Actual	2020-21 Adopted	2021-22 Proposed
\$12,795,799	\$10,090,542	\$9,409,091	\$9,494,012

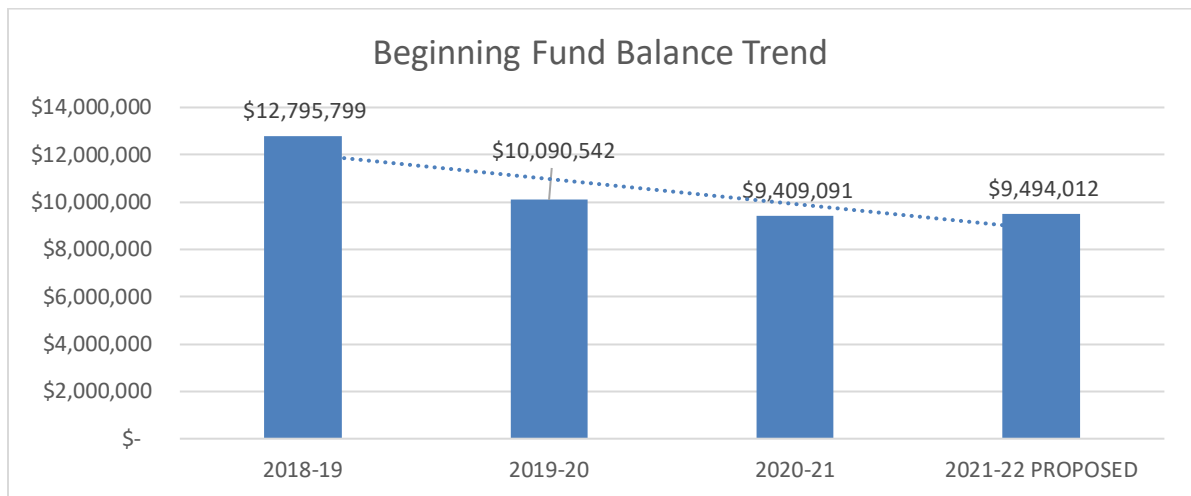
Total Revenue

2018-19 Actual	2019-20 Actual	2020-21 Adopted	2021-22 Proposed
\$230,284,401	\$235,437,847	\$242,875,026	\$250,935,863

BEGINNING FUND BALANCE AND FINANCIAL STABILITY

With the uncertainty in state funding, an important element in maintaining sustainability from one year to another is the Beginning Fund balance. The Beginning Fund balance is used to maintain a positive cash flow until tax revenues are received in November, and to smooth out unexpected shortages of revenues.

The District is targeting a Fund Balance target of 4.0 percent for 2021-22. The budget includes \$9,494,012 as the Beginning Fund balance, which is an \$84,921 increase from the 2020-21 adopted budget beginning fund balance.



Notable Changes between budget years:

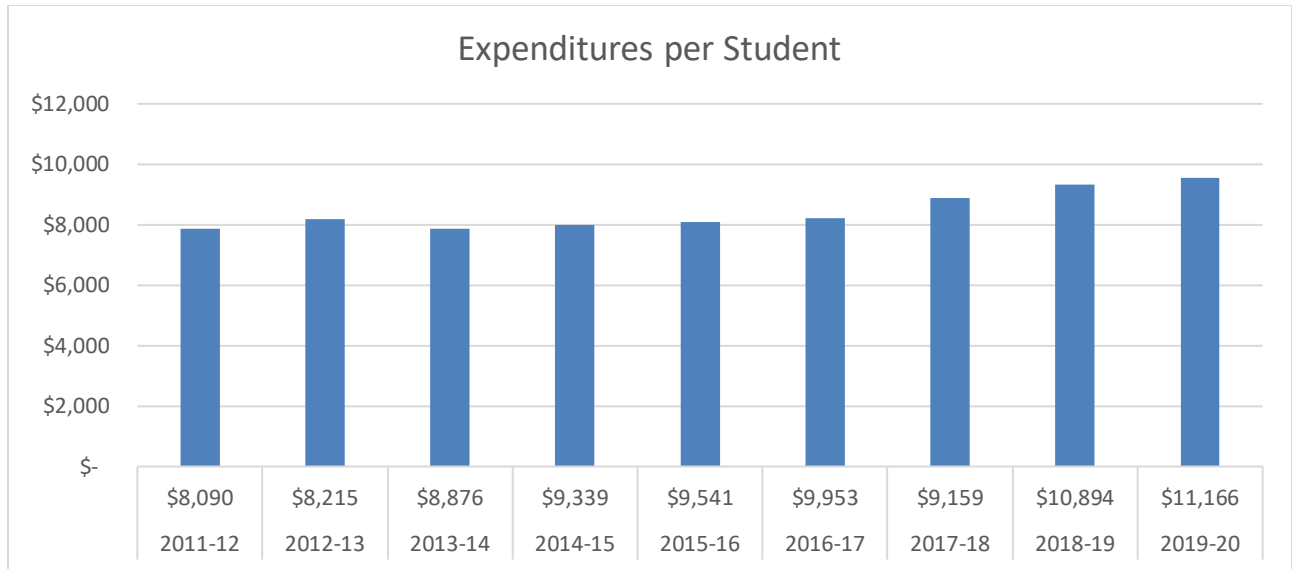
- Object 1980 Fees Charged to Grants- the indirect rate of 4.0 percent will be charged to major grant programs to cover operational overhead incurred for program activities.
- Object 1993 Reimbursements- this includes potential FEMA reimbursements from eligible pandemic related expenses.
- Object 3101 State School Fund- the amount is based on \$9.6 billion state school fund allocations by the legislative session for the 2021-23. If it is less, the District will reduce expenditures by the amount necessary to maintain a balanced budget and 4.0 percent Fund Balance target.



ACCOUNT	DESCRIPTION	2018-19 ACTUAL	2019-20 ACTUAL	2020-21 ADOPTED	2021-22 PROPOSED
100.0000.1111	CURRENT YEAR PROPERTY TAX	\$73,912,246	\$77,694,670	\$81,608,260	\$84,208,638
100.0000.1112	PRIOR YEAR PROPERTY TAX	\$2,146,571	\$633,052	\$816,083	\$842,086
100.0000.1113	COUNTY TAX SALES/BACK TAX	\$0	\$0	\$14,065	\$13,656
100.0000.1114	PAYMENTS IN LIEU OF PR TX	\$14,812	\$13,536	\$18,486	\$17,948
100.0000.1190	PENALTIES & INTEREST ON TAX	\$71,773	\$76,478	\$50,178	\$48,717
100.0000.1312	NON-RESIDENT TUITION	\$4,408	\$577	\$0	\$0
100.0000.1411	TRANSP FEES FROM INDIVID	\$42,285	\$12,562	\$110,990	\$107,758
100.0000.1512	INTEREST ON LGIP	\$1,182,462	\$952,114	\$1,200,000	\$500,000
100.0000.1513	INTEREST ON BANK ACCOUNTS	\$31	\$10	\$353	\$343
100.0000.1710	GATE RECEIPTS	\$82,156	\$57,501	\$78,876	\$76,578
100.0000.1742	STUDENT TOWEL FEES	\$165	\$0	\$1,668	\$1,619
100.0000.1744	STUDENT PARTICIPATION FEES	\$390,532	\$348,640	\$416,236	\$404,112
100.0000.1910	RENTAL/BLDG USAGE	\$225,832	\$188,858	\$298,503	\$289,809
100.0000.1920	CONTRIBUTIONS/DONATIONS	\$0	\$0	\$53,045	\$51,500
100.0000.1960	RECOVERY PRIOR YEAR EXP	(\$49,387)	\$24,314	\$36,640	\$35,573
100.0000.1975	REBATE	\$0	\$131,475	\$136,987	\$132,997
100.0000.1980	FEES CHARGED TO GRANTS	\$405,258	\$461,201	\$1,517,119	\$900,000
100.0000.1990	MISCELLANEOUS REVENUE	\$94,453	\$267,299	\$30,863	\$29,964
100.0000.1992	REBATE/INCENTIVE	\$0	\$10,269	\$0	\$0
100.0000.1993	REIMBURSE/EXPENSE	\$3,800	\$94,500	\$0	\$1,008,778
100.0000.1995	PRINTING REVENUE	(\$908)	\$0	\$9,041	\$47,069
100.0000.1996	TEXTBOOK SALES	\$4,896	\$0	\$48,481	\$0
100.0000.1998	REIMBRSMT -MODIFIED WORKER	\$9,262	\$18,587	\$26,523	\$25,750
TOTAL LOCAL REVENUE		\$78,540,647	\$80,985,643	\$86,472,397	\$88,742,895
100.0000.2101	COUNTY SCHOOL FUND	\$676,651	\$382,069	\$496,500	\$482,040
100.0000.2103	ESD PASS THROUGH	\$3,345,833	\$3,197,681	\$3,293,612	\$3,293,612
TOTAL INTERMEDIATE SOURCES		\$4,022,484	\$3,579,750	\$3,790,112	\$3,775,652
100.0000.3101	STATE SCH FUND	\$119,676,390	\$126,666,824	\$126,674,482	\$132,544,889
100.0000.3103	COMMON SCHOOL FUND	\$2,254,742	\$2,012,689	\$2,800,112	\$2,692,415
100.0000.3104	STATE TIMBER REVENUE	\$1,331,507	\$852,363	\$650,000	\$650,000
100.0000.3105	SSF TRANSPORTATION	\$10,620,000	\$11,199,996	\$11,536,000	\$11,536,000
100.0000.3199	OTHER UNRESTRICTED GRANTS	\$0	\$0	\$1,500,000	\$1,500,000
100.0000.3200	RESTRICTED GRANTS IN AID	\$0	\$50,000	\$0	\$0
TOTAL STATE SOURCES		\$133,882,639	\$140,781,871	\$143,160,594	\$148,923,304
100.0000.5200	TRANSFERS	\$1,000,000	\$0	\$0	\$0
TOTAL TRANSFERS		\$1,000,000	\$0	\$0	\$0
100.0000.5300	COMPENSATION/LOSS	\$42,832	\$41	\$42,832	\$0
TOTAL COMPENSATION/LOSS ASSETS		\$42,832	\$41	\$42,832	\$0
TOTAL BEGINNING FUND BALANCE		\$12,795,799	\$10,090,542	\$9,409,091	\$9,494,012
TOTAL REVENUE		\$230,284,401	\$235,437,847	\$242,875,026	\$250,935,863

GENERAL FUND EXPENDITURES

Each year, the Oregon Department of Education (ODE) calculates the spending per student for the General Fund, based on actual data compiled from District audits reported to ODE.



At the end of the 2019-20 fiscal year, the average operational cost of educating a student in the Hillsboro School District was \$11,166. This figure is determined by dividing total General Fund expenditures for 2019-20, \$223,464,613, by our total Average Daily Membership (ADM) of 20,013 ($\$223,464,613 / 20,013 = \$11,166$). The breakdown of the \$11,166 is as follows:

Instruction (\$5,329 per student). Staffing, materials, and supplies for classroom instruction, alternative education, ESL, Youth Corrections program, summer school, and Talented and Gifted (TAG) program.

Special Education (\$2,082 per student). Staffing, materials and supplies for students with disabilities in less restrictive programs, and students with disabilities in restrictive programs.

Student Services (\$369 per student). Staffing and office supplies for attendance, guidance, health services, media services, assessment, testing, and instructional staff development.

Central Services (\$519 per student). Expenditures related to the Board of Directors, Superintendent, Business Office, Print Shop, and Human Resources.

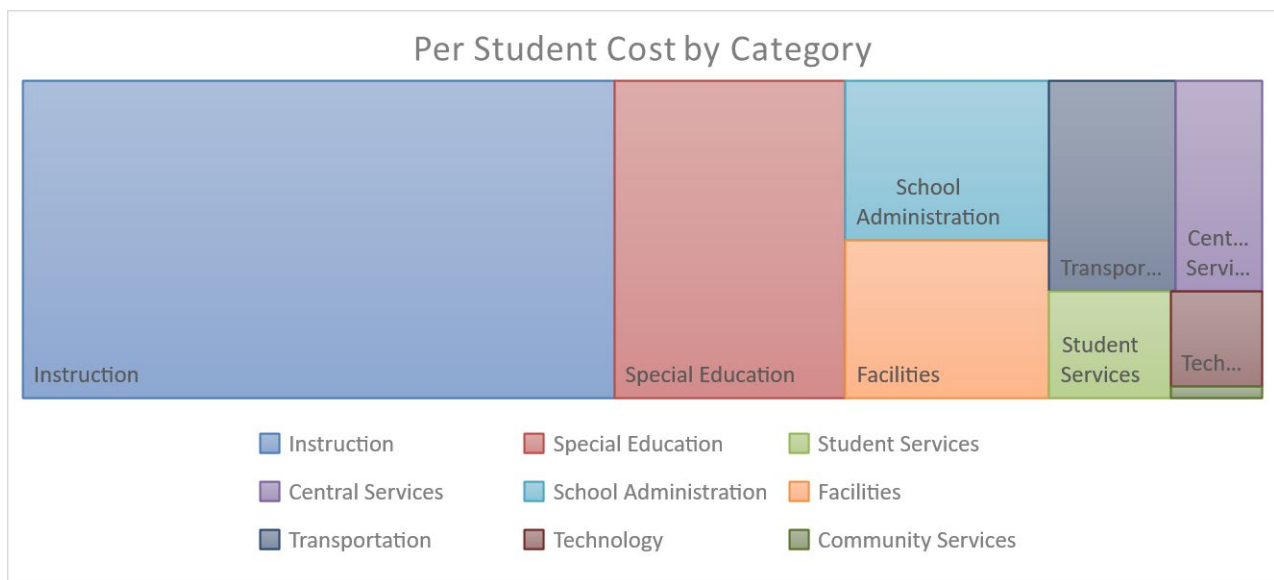
School Administration (\$922 per student). Principals, assistant principals, teachers on special assignment (TOSAs), supplies, materials, purchased administrative services, and support at each campus.

Facilities (\$914 per student). Personnel and supplies for custodial and maintenance services, plus major maintenance projects district wide.

Transportation (\$752 per student). Transportation costs for home-to-school, special education, and athletic/activity events. Seventy percent of eligible transportation costs are reimbursed by the state.

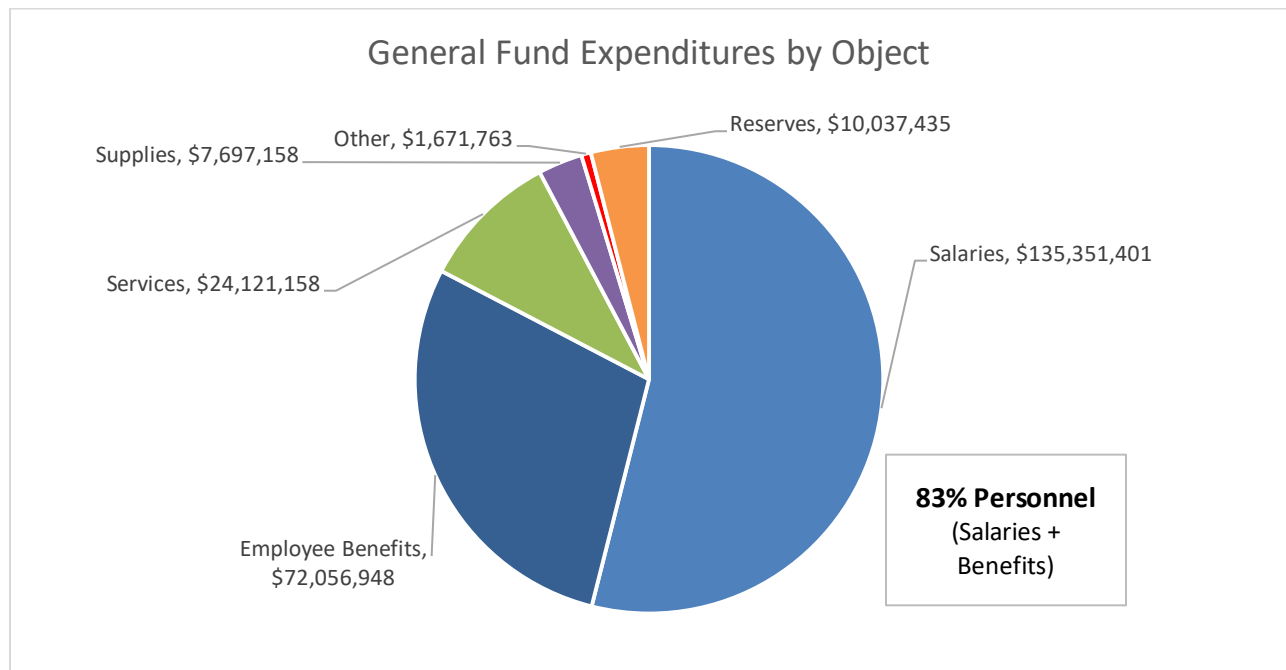
Technology (\$248 per student). Staffing and new technology for classroom instruction.

Community Service (\$31 per student). Personnel and supplies used to perform a variety of community services, primarily the Office of Hispanic Outreach.



GENERAL FUND BUDGET BY OBJECT SUMMARY

Object	Description	2019-20 Actual	2020-21 Adopted	2021-22 Proposed	Increase/Decrease from Prior Year
Salaries	All salaries including negotiated increases.	\$121,414,657	\$126,998,297	\$135,351,401	6.58%
Benefits	Includes associated payroll costs, PERS, health insurance caps, tuition reimbursement	\$72,727,769	\$72,804,372	\$72,056,948	-1.03%
Purchased Services	Utilities, printing, charter school payments, contracted services	\$20,940,507	\$22,972,531	\$24,121,158	5.00%
Supplies and Materials	Supplies, textbooks, computer hardware and software, gasoline	\$6,169,632	\$7,546,233	\$7,697,158	2.00%
Capital Expenditures	New and replacement equipment	\$166,790	\$0	\$0	0.00%
Other	Dues, Fees, and Insurance	\$2,045,258	\$1,559,581	\$1,671,763	7.19%
Reserves	Planned reserves for next year	\$11,973,234	\$10,994,012	\$10,037,435	-8.70%
Total		\$235,437,847	\$242,875,026	\$250,935,863	3.32%



GENERAL FUND EXPENDITURES BY OBJECT

ACCOUNT	DESCRIPTION	2018-19 ACTUAL	2019-20 ACTUAL	2020-21 ADOPTED	2021-22 PROPOSED	2021-22 FTE
100.0000.0111	REG LICENSED SALARIES	\$76,450,479	\$75,253,325	\$78,594,960	\$83,084,329	981.30
100.0000.0112	REG CLASSIFIED SALARIES	\$30,484,310	\$29,504,610	\$30,896,404	\$33,556,866	693.20
100.0000.0113	REG ADMIN SALARIES	\$8,200,111	\$8,000,473	\$8,448,730	\$9,332,883	62.10
100.0000.0114	REG SUPERVISORY SALARIES	\$2,021,999	\$2,123,400	\$2,229,365	\$2,343,620	27.5
100.0000.0116	EARLY RETIREMENT STIPEND	\$7,000	\$0	\$0	\$0	0.0
100.0000.0121	SUBSTITUTES-LICENSED	\$142,124	\$84,035	\$150,414	\$154,926	0.0
100.0000.0122	SUBSTITUTES-CLASSIFIED	\$42,424	\$66,774	\$44,898	\$46,245	0.0
100.0000.0123	CERTIFIED TEMPORARY WAGE	\$107,649	\$289,205	\$113,928	\$117,346	0.0
100.0000.0124	TEMPORARY-CLASSIFIED	\$962,817	\$1,454,191	\$1,018,974	\$1,049,543	0.0
100.0000.0126	SUBSTITUTES-ADMIN	\$0	\$0	\$0	\$0	0.0
100.0000.0130	ADDITIONAL SALARIES	\$5,718	\$0	\$6,051	\$6,233	0.0
100.0000.0131	EXTENDED CONTRACT	\$1,308,434	\$939,105	\$1,384,749	\$1,426,291	0.0
100.0000.0132	DEPT COORDINATOR STIPEND	\$1,014,088	\$1,249,840	\$1,073,235	\$1,105,432	0.0
100.0000.0133	ATHLETIC COACHING PAY	\$743,783	\$724,529	\$787,164	\$810,779	0.0
100.0000.0134	ADVISOR PAY	\$186,626	\$193,772	\$197,511	\$203,436	0.0
100.0000.0135	STUDENT SUPERVISION PAY	\$86,175	\$72,989	\$91,201	\$93,937	0.0
100.0000.0136	ATHLETIC/ACTIVITY PAY	\$134,714	\$120,840	\$142,571	\$146,848	0.0
100.0000.0138	EXTRA DUTY STIPEND	\$0	\$0	\$0	\$0	0.0
100.0000.0139	OVERTIME SALARIES	\$907,726	\$578,103	\$960,670	\$989,490	0.0
100.0000.0140	OTHER TIME	\$779,515	\$722,592	\$824,980	\$849,729	0.0
100.0000.0144	STUDENT WAGES	\$30,702	\$36,874	\$32,492	\$33,468	0.0
TOTAL SALARIES		\$123,616,394	\$121,414,657	\$126,998,297	\$135,351,401	1,764.10
100.0000.0200	EMPLOYEE BENEFITS	\$0	\$0	\$0	\$0	0.0
100.0000.0211	PERS EMPLOYER CONTRBUTN	\$7,356,348	\$8,779,557	\$11,463,941	\$9,141,082	0.0
100.0000.0212	PERS-EMPLOYEE PICKUP	\$0	\$0	\$0	\$0	0.0
100.0000.0213	PERS UAL BOND 2005	\$8,055,369	\$8,561,352	\$8,353,557	\$8,512,931	0.0
100.0000.0214	PERS UAL BOND 2015	\$2,292,097	\$2,355,831	\$2,355,463	\$2,400,402	0.0
100.0000.0216	PERS EMPLOYER-TIER III	\$8,942,921	\$13,009,696	\$12,086,600	\$11,431,956	0.0
100.0000.0218	PERS- PRIOR PERIOD REC	\$53,518	\$58,148	\$0	\$0	0.0
100.0000.0220	SOCIAL SECURITY ADMIN	\$9,375,253	\$9,181,884	\$9,715,370	\$10,354,382	0.0
100.0000.0231	WORKERS' COMPENSATION	\$737,347	\$744,845	\$634,991	\$676,757	0.0
100.0000.0232	UNEMPLOYMENT COMPENSTN	\$122,701	\$120,266	\$126,998	\$135,351	0.0
100.0000.0240	POST EMPLOYMENT BENEFIT	\$0	\$802	\$0	\$0	0.0
100.0000.0241	DISABILITY INSURANCE	\$476,932	\$470,439	\$524,377	\$524,377	0.0
100.0000.0242	MEDICAL INSURANCE	\$23,845,181	\$23,769,154	\$22,743,172	\$23,652,899	0.0
100.0000.0243	LIFE INSURANCE	\$113,082	\$106,076	\$90,000	\$106,613	0.0
100.0000.0244	EMPLOYEE ASSISTANCE	\$22,156	\$24,967	\$0	\$25,918	0.0



ACCOUNT	DESCRIPTION	2018-19 ACTUAL	2019-20 ACTUAL	2020-21 ADOPTED	2021-22 PROPOSED	2021-22 FTE
100.0000.0245	TRAVEL ALLOWANCE	\$117,422	\$117,170	\$100,000	\$100,000	0.0
100.0000.0246	DENTAL INSURANCE	\$2,926,205	\$2,923,546	\$2,649,903	\$2,755,899	0.0
100.0000.0247	EMPLOYER PROVIDED TSA	\$35,000	\$36,250	\$0	\$38,809	0.0
100.0000.0248	VISION INSURANCE	\$686,116	\$690,363	\$150,000	\$150,000	0.0
100.0000.0249	TUITION REIMBURSEMENT	\$464,441	\$317,233	\$500,000	\$500,000	0.0
100.0000.0251	ADMIN FLEX BENEFIT	\$1,404,680	\$1,393,680	\$1,250,000	\$1,300,000	0.0
100.0000.0252	DOMESTIC PARTNER TAXABLE	(\$710)	\$0	\$0	\$189,572	0.0
100.0000.0254	COMMUNICATIONS STIPEND	\$66,422	\$66,510	\$50,000	\$50,000	0.0
100.0000.0255	CLASSIFIED PROF IMPR	\$0	\$0	\$10,000	\$10,000	0.0
TOTAL BENEFITS		\$67,092,481	\$72,727,769	\$72,804,372	\$72,056,948	0.0
100.0000.0310	INSTRUCTION SERVICES	\$57,044	\$132,800	\$62,891	\$66,036	0.0
100.0000.0311	INSTRUCTION SERVICES	\$24,065	\$112,595	\$26,531	\$27,858	0.0
100.0000.0312	INSTR PROG IMPROVEMENT	\$170,580	\$42,376	\$188,064	\$197,468	0.0
100.0000.0313	STUDENT SERVICES	\$1,259,089	\$1,470,155	\$1,388,146	\$1,457,553	0.0
100.0000.0318	PROF IMPRV/NON INSTRUCT	\$2,420	\$4,113	\$2,668	\$2,801	0.0
100.0000.0319	OTHER PROF & TECH INSTRNL	\$410,175	\$390,428	\$452,218	\$474,829	0.0
100.0000.0320	PROPERTY SERVICES	\$4,184	\$4,081	\$4,613	\$4,844	0.0
100.0000.0321	CUSTODIAL SERVICES	\$0	\$0	\$0	\$0	0.0
100.0000.0322	REPAIR & MAINTENANCE	\$461,882	\$1,887,406	\$509,225	\$534,687	0.0
100.0000.0323	LAUNDRY & DRY CLEANING	\$231,511	\$267,760	\$255,241	\$268,003	0.0
100.0000.0324	RENTAL EXPENSE	\$523,291	\$361,532	\$576,929	\$605,775	0.0
100.0000.0325	ELECTRICITY	\$2,755,696	\$2,458,984	\$3,038,155	\$3,190,062	0.0
100.0000.0326	HEATING FUEL	\$592,148	\$547,544	\$652,844	\$685,486	0.0
100.0000.0327	WATER & SEWAGE	\$1,531,868	\$1,567,889	\$1,688,884	\$1,773,328	0.0
100.0000.0328	GARBAGE	\$435,377	\$339,604	\$480,003	\$504,003	0.0
100.0000.0329	OTHER PROPERTY SERVICES	\$14,753	\$16,132	\$16,265	\$17,078	0.0
100.0000.0330	STUDENT TRANSPORTATION	\$264	\$30	\$291	\$305	0.0
100.0000.0331	REIMBURSABLE STUDNT TRAN	(\$188,812)	(\$40,669)	(\$208,166)	(\$218,574)	0.0
100.0000.0332	NONREIMB STUDENT TRANS	\$126,091	\$93,383	\$139,015	\$145,966	0.0
100.0000.0340	TRAVEL	\$482,281	\$280,009	\$531,715	\$558,301	0.0
100.0000.0342	TRAVEL – IN DISTRICT	\$1,703	\$0	\$1,878	\$1,972	0.0
100.0000.0343	STUDENT OUT OF DIST TRANS	\$6,760	\$2,941	\$7,453	\$7,826	0.0
100.0000.0351	TELEPHONE	\$496,138	\$626,595	\$546,992	\$574,341	0.0
100.0000.0353	POSTAGE	\$113,343	\$174,558	\$124,960	\$131,208	0.0
100.0000.0354	ADVERTISING	\$5,200	\$7,132	\$5,733	\$6,020	0.0
100.0000.0355	PRINTING AND BINDING	\$28,707	\$138,893	\$31,650	\$33,232	0.0
100.0000.0360	CHARTER SCHOOL PAYMENTS	\$1,296,431	\$1,609,547	\$1,497,377	\$1,572,246	0.0
100.0000.0371	TUITION TO PUBLIC SCHOOLS	\$214,870	\$150,515	\$236,894	\$248,739	0.0
100.0000.0372	TUITION OUT OF STATE	\$0	\$146,898	\$0	\$0	0.0
100.0000.0373	TUITION TO PRIVATE SCHOOL	\$13,967	\$588,186	\$15,399	\$16,169	0.0
100.0000.0374	OTHER TUITION PAYMENTS	\$721,846	\$252,041	\$795,835	\$835,627	0.0



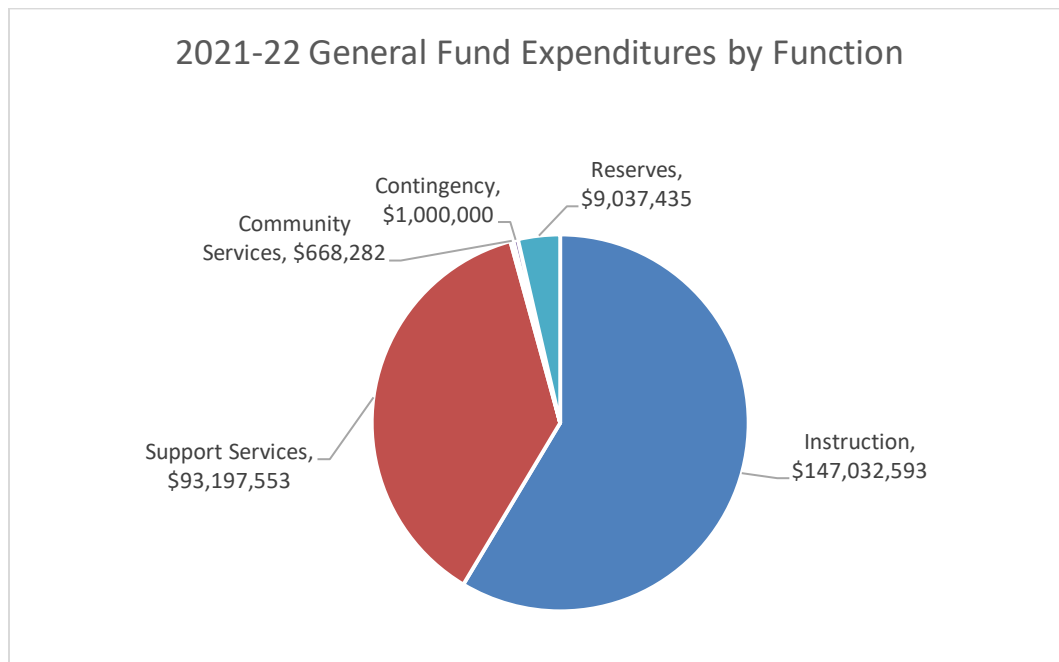
ACCOUNT	DESCRIPTION	2018-19 ACTUAL	2019-20 ACTUAL	2020-21 ADOPTED	2021-22 PROPOSED	2021-22 FTE
100.0000.0380	NON-INSTRUCT PROF SERV	\$209,164	\$56,000	\$230,604	\$242,134	0.0
100.0000.0381	AUDIT SERVICES	\$35,000	\$72,094	\$38,588	\$40,517	0.0
100.0000.0382	LEGAL SERVICES	\$115,700	\$0	\$127,559	\$133,937	0.0
100.0000.0383	ARCHITECT/ENGINEER SVCS	\$8,030	\$0	\$8,853	\$9,295	0.0
100.0000.0384	NEGOTIATION SERVICES	\$0	\$8,197	\$0	\$0	0.0
100.0000.0385	MANAGEMENT SERVICES	\$0	\$9,695	\$0	\$0	0.0
100.0000.0388	ELECTION SERVICES	\$33,615	\$0	\$37,061	\$38,914	0.0
100.0000.0390	OTHER PROF & TECH SRV	\$1,972,560	\$1,688,028	\$2,174,747	\$2,283,485	0.0
100.0000.0391	SUBSTITUTE – LICENSED	\$3,463,326	\$2,466,159	\$3,672,858	\$3,856,501	0.0
100.0000.0392	BANK SERVICE FEE	\$1,486	\$7,581	\$1,941	\$2,038	0.0
100.0000.0399	SUBSTITUTE – CLASSIFIED	\$3,404,635	\$2,999,295	\$3,610,617	\$3,791,148	0.0
TOTAL PURCHASED SERVICES		\$21,036,388	\$20,940,507	\$22,972,531	\$24,121,158	0.0
100.0000.0410	SUPPLIES AND MATERIALS	\$2,520,351	\$2,063,370	\$2,622,173	\$2,674,616	0.0
100.0000.0412	CUSTODIAL SUPPLIES	\$433,700	\$500,095	\$451,222	\$460,246	0.0
100.0000.0413	FOOD SUPPLIES	\$0	\$108	\$0	\$0	0.0
100.0000.0417	MAINTENANCE SUPPLIES	\$249,528	\$227,500	\$259,608	\$264,801	0.0
100.0000.0418	GASOLINE AND OIL	\$912,010	\$631,801	\$948,855	\$967,832	0.0
100.0000.0419	TIRES	\$66,142	\$25,608	\$68,814	\$70,191	0.0
100.0000.0420	TEXTBOOKS	\$274,946	\$243,918	\$686,054	\$699,775	0.0
100.0000.0430	LIBRARY BOOKS	\$40,422	\$31,131	\$42,056	\$42,897	0.0
100.0000.0440	PERIODICAL SUBSCRIPTIONS	\$52,621	\$31,419	\$54,746	\$55,841	0.0
100.0000.0450	FOOD	\$83	\$225	\$86	\$88	0.0
100.0000.0460	NON-CONSUMABLE ITEMS	\$312,630	\$388,798	\$325,260	\$331,766	0.0
100.0000.0461	<\$5000 EQUIPMENT	\$164,254	\$162,819	\$170,890	\$174,308	0.0
100.0000.0470	COMPUTER SOFTWARE	\$1,337,884	\$1,459,937	\$1,391,935	\$1,419,773	0.0
100.0000.0480	COMPUTER HARDWARE	\$319,011	\$316,637	\$331,899	\$338,536	0.0
100.0000.0481	<\$5000 COMPUTER HARDWAR	\$185,155	\$86,266	\$192,635	\$196,488	0.0
TOTAL SUPPLIES & MATERIALS		\$6,868,737	\$6,169,632	\$7,546,233	\$7,697,158	0.0
100.0000.0520	BUILDING ACQUISITIONS	\$0	\$0	\$0	\$0	0.0
100.0000.0530	IMPROVEMENTS TO BUILDING	\$0	\$13,219	\$0	\$0	0.0
100.0000.0540	CAPITAL EQUIPMENT	\$122,400	\$109,557	\$0	\$0	0.0
100.0000.0542	REPLACEMENT EQUIPMENT	\$0	\$17,992	\$0	\$0	0.0
100.0000.0550	CAPITAL TECHNOLOGY	\$5,603	\$26,022	\$0	\$0	0.0
TOTAL CAPITAL EQUIPMENT		\$128,003	\$166,790	\$0	\$0	0.0
100.0000.0610	REDEMPTION OF PRINCIPAL	\$0	\$789	\$0	\$0	0.0
100.0000.0621	INTEREST	\$82	\$0	\$0	\$0	0.0
100.0000.0630	BAD DEBT WRITE-OFF	\$21,608	\$217,477	\$0	\$0	0.0
100.0000.0640	DUES & FEES	\$325,658	\$432,178	\$358,541	\$376,468	0.0
100.0000.0650	INSURANCE AND JUDGMENTS	\$0	\$0	\$265,938	\$0	0.0
100.0000.0651	LIABILITY INSURANCE	\$253,275	\$349,255	\$210	\$266,148	0.0
100.0000.0652	FIDELITY BOND PREMIUMS	\$200	\$100	\$861,558	\$123	0.0

ACCOUNT	DESCRIPTION	2018-19 ACTUAL	2019-20 ACTUAL	2020-21 ADOPTED	2021-22 PROPOSED	2021-22 FTE
100.0000.0653	PROPERTY & CASULTY INS	\$820,531	\$849,519	\$4,000	\$960,977	0.0
100.0000.0655	JUDGEMENTS & SETTLEMNTS	\$4,000	\$182,016	\$26,502	\$25,111	0.0
100.0000.0670	TAXES & LICENSES	\$26,502	\$13,924	\$42,832	\$42,936	0.0
TOTAL DUES AND FEES		\$1,451,856	\$2,045,258	\$1,559,581	\$1,671,763	0.0
100.0000.0790	TRANSFER TO PERS RESERVE	\$0	\$0	\$0	\$0	0.0
TOTAL TRANSFERS		\$0	\$0	\$0	\$0	0.0
100.0000.0810	PLANNED RESERVE	\$0	\$0	\$1,500,000	\$1,000,000	0.0
100.0000.0820	RESERVED FOR NEXT YEAR	\$10,090,542	\$11,973,234	\$9,494,012	\$9,037,435	0.0
TOTAL EXPENDITURES		\$230,284,401	\$235,437,847	\$242,875,026	\$250,935,863	1,764.10



GENERAL FUND BUDGET BY FUNCTION SUMMARY

Function	Description	2019-20 Actuals	2020-21 Adopted	2021-22 Proposed	Change from Prior Year
Instruction	Direct classroom	\$136,391,847	\$145,059,346	\$147,032,593	1.36%
Support Services	Counselors, media, assessment, central administration, facilities, transportation	\$86,452,847	\$86,249,283	\$93,197,553	8.06%
Community Services	Office of Hispanic Outreach	\$619,919	\$572,385	\$668,282	16.75%
Contingency	Unexpected expenditures	\$0	\$1,500,000	\$1,000,000	-33.33%
Reserves	Next year's reserve	\$11,973,234	\$9,494,012	\$9,037,435	-4.81%
Total		\$235,437,847	\$242,875,026	\$250,935,863	3.32%



GENERAL FUND EXPENDITURES BY FUNCTION

ACCOUNT	DESCRIPTION	2018-19 ACTUAL	2019-20 ACTUAL	2020-21 ADOPTED	2021-22 PROPOSED	2021-22 FTE
100.1111.0000	PRIMARY EDUCATION	\$49,560,583	\$51,511,257	\$52,191,093	\$55,529,958	428.5
100.1113.0000	ELEMENTARY EXTRACURRIC	\$182,631	\$132,517	\$192,324	\$142,856	0.0
100.1121.0000	MIDDLE SCHOOL PROGRAMS	\$11,457,315	\$11,153,498	\$12,065,431	\$12,023,649	94.9
100.1122.0000	MIDDLE SCHL EXTRACURRIC	\$88,403	\$99,263	\$93,095	\$107,007	0.0
100.1131.0000	HIGH SCHOOL PROGRAMS	\$25,463,676	\$23,796,976	\$26,815,203	\$25,653,521	188.0
100.1132.0000	HIGH SCHOOL EXTRACURRIC	\$2,711,951	\$2,806,833	\$2,855,892	\$3,025,811	7.9
100.1133.0000	SATURDAY SCHOOL-HIGH SCH	\$15,041	\$6,526	\$15,839	\$7,035	0.0
100.1140.0000	PRE-KINDERGARTEN PROG	\$70	\$0	\$74	\$0	0.0
100.1210.0000	TALENTED AND GIFTED	\$523,909	\$423,333	\$551,716	\$456,360	2.3
100.1220.0000	RESTRICTIVE PROG-SP PROG	\$697,496	\$846,391	\$734,517	\$912,423	0.0
100.1221.0000	LEARNING CNTRS-STRUCTUR	\$10,664,615	\$11,036,312	\$11,230,657	\$11,897,321	135.4
100.1223.0000	COMMUNITY TRANSITION	\$1,651,599	\$1,811,224	\$1,739,260	\$1,952,528	23.4
100.1224.0000	LIFE SKILLS WITH NURSING	\$1,552,458	\$1,660,128	\$1,634,857	\$1,789,645	14.0
100.1225.0000	OUT OF DISTRICT PROGRAMS	\$676,845	\$880,690	\$712,770	\$949,398	0.0
100.1226.0000	HOME INSTRUCTION	\$173,238	\$248,504	\$182,433	\$267,892	1.0
100.1227.0000	EXTENDED SCHOOL YR	\$114,508	\$95,947	\$120,586	\$103,432	0.0
100.1250.0000	LESS RESTRICTIVE PROGRMS	\$14,736,025	\$12,747,278	\$15,518,164	\$13,741,769	151.5
100.1270.0000	EDUCATIONALLY DISADV	\$102,832	\$0	\$108,290	\$0	0.0
100.1272.0000	TITLE I	\$51,128	\$0	\$53,842	\$0	0.0
100.1280.0000	ALTERNATIVE EDUCATION	\$1,279,969	\$1,603,273	\$1,347,905	\$1,728,354	11.0
100.1288.0000	CHARTER SCHOOLS	\$1,336,942	\$1,647,630	\$1,407,902	\$1,776,172	0.0
100.1289.0000	OPTIONS PROGRAMS	\$737,866	\$741,074	\$777,029	\$798,889	0.8
100.1290.0000	DESIGNATED PROGRAMS	\$0	\$0	\$0	\$0	0.0
100.1291.0000	ENGLISH 2ND LANGUAGE PROG	\$12,825,118	\$12,127,066	\$13,505,832	\$13,073,171	97.9
100.1292.0000	TEEN PARENT PROGRAMS	\$763,705	\$599,655	\$804,240	\$646,438	4.1
100.1293.0000	MIGRANT EDUCATION	(\$1,450)	\$0	(\$1,527)	\$0	0.0
100.1294.0000	YOUTH CORRECTN EDUCATN	\$234,917	\$216,200	\$247,386	\$233,067	1.0
100.1296.0000	ACADEMIC INTERVENTIONS	\$143,917	\$200,272	\$151,557	\$215,897	1.3
100.1430.0000	SECONDARY SUMMER SCH	\$2,828	\$0	\$2,979	\$0	0.0
TOTAL INSTRUCTIONAL SERVICES		\$137,748,135	\$136,391,847	\$145,059,346	\$147,032,593	1,163.0
100.2110.0000	ATTENDANC & SOCL WRK SVC	\$136,948	\$126,202	\$144,217	\$136,047	4.0
100.2112.0000	ATTENDANCE SERVICES	\$505,849	\$448,810	\$532,698	\$483,825	5.7
100.2115.0000	STUDENT SAFETY	\$1,182,189	\$1,073,696	\$1,244,936	\$1,157,462	6.5
100.2116.0000	BEHAVIORIAL SERVICES	\$903,680	\$968,385	\$951,644	\$1,043,934	0.0
100.2118.0000	LIMITED STUDENT SUPPORT	\$1,884,694	\$3,407,672	\$1,984,727	\$3,673,525	0.0
100.2122.0000	COUNSELING SERVICES	\$6,002,221	\$6,074,352	\$6,320,799	\$6,548,248	44.2
100.2126.0000	PLACEMENT SERVICES	\$86,320	\$107,960	\$90,902	\$116,382	3.4
100.2130.0000	HEALTH SERVICES	\$78,269	\$112,598	\$82,423	\$121,383	0.6



ACCOUNT	DESCRIPTION	2018-19 ACTUAL	2019-20 ACTUAL	2020-21 ADOPTED	2021-22 PROPOSED	2021-22 FTE
100.2132.0000	MEDICAL SERVICES	\$232,383	\$208,467	\$244,717	\$224,731	0.0
100.2134.0000	NURSE SERVICES	\$635,743	\$994,479	\$669,486	\$1,072,064	6.9
100.2139.0000	OTHER HEALTH SERVICES	\$427,189	\$459,763	\$449,863	\$495,632	3.9
100.2140.0000	PSYCHOLOGICAL SERVICES	\$923,956	\$1,054,718	\$972,997	\$1,137,003	8.2
100.2150.0000	SPEECH & AUDIO SERVICES	\$3,739,516	\$3,839,260	\$3,937,997	\$4,138,784	28.0
100.2160.0000	STUDENT TREATMNT CENTER	\$114,893	\$113,746	\$120,991	\$122,620	0.0
100.2190.0000	STUDENT SERVICES DIRECTR	\$341,801	\$301,912	\$359,943	\$325,466	0.0
100.2210.0000	IMPROVEMNT OF INSTRCTN	\$669,297	\$417,052	\$704,821	\$449,588	1.0
100.2211.0000	SERVICE AREA DIRECTION	\$0	\$696	\$0	\$751	0.0
100.2212.0000	OTHER CURRICULUM INSTR	\$0	\$0	\$0	\$0	0.0
100.2213.0000	CURRICULUM DEVELOPMENT	\$335,053	\$448,678	\$352,836	\$483,682	0.0
100.2219.0000	OTHER IMPRO OV INST	\$0	\$848	\$0	\$914	0.0
100.2220.0000	EDUCATIONAL MEDIA SVCS	\$2,910	\$2,164	\$3,064	\$2,333	0.0
100.2222.0000	LIBRARY MEDIA CENTER	\$1,362,608	\$1,111,529	\$1,434,931	\$1,198,246	15.3
100.2223.0000	MULTIMEDIA SERVICES	\$3,452	\$1,264	\$3,635	\$1,362	0.0
100.2230.0000	ASSESSMENT & TESTING	\$313,307	\$366,872	\$329,936	\$395,494	0.0
100.2240.0000	INSTRUCTNL STAFF DEVELOP	\$1,561,890	\$1,374,293	\$1,644,790	\$1,481,510	1.8
100.2310.0000	BOARD OF EDUCATION	\$234,123	\$216,654	\$246,549	\$233,557	1.0
100.2321.0000	OFFICE OF SUPERINTENDENT	\$570,000	\$560,193	\$600,254	\$603,897	2.0
100.2410.0000	OFFICE OF THE PRINCIPAL	\$15,240,556	\$15,242,725	\$16,049,474	\$16,431,901	105.1
100.2490.0000	OTHER ADMINISTRATION	\$2,737,369	\$2,441,857	\$2,882,659	\$2,632,361	14.0
100.2510.0000	DIRECTOR BUSINESS SVC	\$918,403	\$1,471,203	\$967,149	\$1,585,980	7.2
100.2520.0000	FISCAL SERVICES	\$275,410	\$603,001	\$290,028	\$650,044	0.0
100.2524.0000	PAYROLL SERVICES	\$361,939	\$371,863	\$381,150	\$400,874	4.6
100.2525.0000	FINANCIAL ACCOUNTING	\$272,305	\$259,437	\$286,758	\$279,677	3.0
100.2528.0000	RISK MANAGEMENT SERVICES	\$984,009	\$1,005,655	\$1,036,237	\$1,084,112	1.0
100.2529.0000	OTHER FISCAL SERVICES	\$43,192	\$51,331	\$45,484	\$55,335	1.0
100.2540.0000	FACILITIES MAINTENANCE	\$16,197,598	\$17,978,406	\$17,057,312	\$19,381,009	116.2
100.2545.0000	HVAC SERVICES	\$294,290	\$314,227	\$309,910	\$338,742	0.0
100.2550.0000	STUDENT TRANSPORTATION	\$15,155,844	\$15,058,841	\$15,960,266	\$16,233,672	169.3
100.2573.0000	WAREHOUSE/DISTRIBUTION	\$25,352	\$22,720	\$26,698	\$24,493	0.5
100.2574.0000	PRINTING SERVICES	\$146,309	\$129,465	\$154,075	\$139,565	4.0
100.2620.0000	PLANNING & DEVELPMNT SVC	(\$1,367)	\$1,070,397	(\$1,440)	\$0	0.0
100.2630.0000	COMMUNITY RELATIONS	\$555,870	\$0	\$585,374	\$1,153,905	5.0
100.2640.0000	STAFF SERVICES	\$1,976,045	\$1,754,767	\$2,080,927	\$1,891,667	12.4
100.2642.0000	RECRUITMENT & PLACEMENT	\$0	\$81,202	\$0	\$87,537	0.0
100.2660.0000	TECHNOLOGY SERVICES	\$4,404,319	\$4,761,736	\$4,638,086	\$5,133,229	21.2
100.2670.0000	RECORDS MANAGEMENT	\$58,918	\$41,751	\$62,045	\$45,009	0.0
100.2700.0000	EARLY RETIREMENT	\$7,536	\$0	\$7,935	\$0	0.0
TOTAL SUPPORT SERVICES		\$81,902,188	\$86,452,847	\$86,249,283	\$93,197,553	597.0

ACCOUNT	DESCRIPTION	2018-19 ACTUAL	2019-20 ACTUAL	2020-21 ADOPTED	2021-22 PROPOSED	2021-22 FTE
100.3300.0000	OTHER COMMUNITY SERVICES	\$543,536	\$619,919	\$572,385	\$668,282	4.1
TOTAL OFFICE OF HISPANIC OUTREACH		\$543,536	\$619,919	\$572,385	\$668,282	4.1
100.4150.0000	BUILDING IMPROVEMENTS	\$0	\$0	\$0	\$0	0.0
TOTAL BUILDING IMPROVEMENTS		\$0	\$0	\$0	\$0	0.0
100.5110.0000	LONG TERM DEBT SERVICE	\$0	\$0	\$0	\$0	0.0
TOTAL DEBT SERVICE		\$0	\$0	\$0	\$0	0.0
100.5200.0000	TRANSFER TO PERS RESERVE	\$0	\$0	\$0	\$0	0.0
TOTAL TRANSFERS		\$0	\$0	\$0	\$0	0.0
100.6110.0000	OPERATING CONTINGENCY	\$0	\$0	\$1,500,000	\$1,000,000	0.0
100.7000.0000	UNAPPROPRIATED END BAL	\$10,090,542	\$11,973,234	\$9,494,012	\$9,037,435	0.0
TOTAL EXPENDITURES		\$230,284,401	\$235,437,847	\$242,875,026	\$250,935,863	1,764.1



BUDGET FUNCTION DESCRIPTIONS

According to the [Oregon Department of Education Program and Accounting Manual](#), the “Function” is the second dimension of numbers in the standardized account code. Budget expenditures are reported by the following dimensions:

Fund: xxx

Function: xxxx

Object: xxx

The “Fund” is the first dimension and represents the type of management accounts represented in the following account detail. The “Function” describes the activity for which a service or material object is acquired and are listed below. The “Object” describes the type of item purchased and the definitions are self-evident. The “Functions” are described in more detail below.

1111 Primary Programs K-6

All regular elementary school instructional programs for kindergarten through third grade. Includes staff, services, teaching supplies, and equipment.

1113 Elementary Extracurricular

Staff stipends for after-school activities.

1121 Middle School Programs

All regular middle school instructional programs. Includes staff, services, teaching supplies, and equipment.

1122 Middle School Extracurricular

Advisor stipends and supplies for extracurricular activities.

1131 High School Programs

All regular high school instruction programs. Includes staff, services, teaching supplies, and equipment.

1132 High School Extracurricular

Extracurricular activities and athletics. Includes staff, coaches, advisors, services, supplies, and dues.

1133 Saturday School – High School

Extended contract time to staff high school Saturday school programs

1140 Pre-Kindergarten Programs

Includes staff, services, teaching supplies, and equipment for pre-kindergarten programs.

1210 Talented and Gifted (TAG) Programs

TAG program services and supplies.

- 1221 Learning Centers – Structured and Intensive**
Learning experiences for students with disabilities who spend one-half or more of their time in a restricted setting, such as Life Skills Centers or Social Communications Centers. This includes staff, services, and teaching supplies.
- 1223 Community Transition Centers**
Learning experiences for students with disabilities who are 16 years of age or older, and who spend a portion of their school day in a community-based program, such as Portland Community College.
- 1224 Life Skills with Nursing**
Learning experiences for students with disabilities who work primarily on functional skills and who receive nursing services, such as health impaired classrooms.
- 1225 Out-of-District Programs**
Programs for students placed outside District schools, such as ESD programs or private schools.
- 1226 Home Instruction**
Home tutoring services for students who are temporarily unable to attend school due to disability, illness, injury, or for an alternative placement.
- 1227 Extended School Year**
Learning experiences for students with disabilities who show significant regression during non-instructional periods, and do not recoup the skills within a reasonable time. Students receive extended opportunities, such as summer school.
- 1250 Less-Restrictive Programs for Students with Disabilities**
Special learning experiences outside the regular classroom for students with disabilities. Students spend certain periods of the school day in this program to receive remedial instruction in specific subject areas or other remedial activities. Includes staff, services, and teaching supplies.
- 1270 Educationally Disadvantaged**
Instructional activities designed for students who are disadvantaged due to socioeconomic status or other circumstances that can affect their ability to learn.
- 1272 Title IA/D**
Title I instructional activities. Includes staff and teaching supplies.
- 1280 Alternative Education**
Alternative programs outside the regular school setting for students. Includes alternative middle school, alternative high school, and other alternative programs.
- 1288 Charter Schools**
Payments made to City View Charter School, a District-sponsored charter school.

- 1289 Other Alternative Programs**
District non-traditional instructional programs, including the Hillsboro Online Academy.
- 1290 Designated Programs**
Special learning experiences for other students with special needs.
- 1291 English Language Learner (ELL) Programs**
ELL programs include staff, services, and teaching supplies.
- 1292 Teen Parent Program**
The Teen Parent program, for pregnant or parenting students, includes staff, services, and teaching supplies.
- 1293 Migrant Education**
The migration education instructional program is designed to meet the needs of migrant students, including staff, services, supplies, and transportation.
- 1294 Youth Corrections Education**
Instructional programs delivered to youths in detention.
- 1295 Indian Education Program**
Instructional programs designed to meet the needs of culturally relevant curriculum about Oregon Native Americans.
- 1296 Academic Interventions**
Instructional programs delivered to youths in support of academic interventions.
- 1300 Continuing Ed Programs**
Learning experiences designed to develop knowledge and skill to meet immediate and long-range educational objectives of adults.
- 1400 Summer School Programs**
Summer school for students includes staff and material operating costs.
- 1420 Middle/Junior High School Summer School**
Summer school for middle/junior high school students includes staff and material operating costs.
- 1430 High School Summer School**
Summer school for high school students includes staff and material operating costs.
- 1495 Identification and Recruitment – Migrant Summer School**
Includes staff and material costs to identify and recruit children identified as “Migrant” for the Migrant Summer Program.

- 2110 Attendance and Social Work Services**
Activities designed to improve student attendance at school. This includes contract services with Youth Contact to provide intervention and counseling services.
- 2112 Attendance Services**
Attendance record keeping.
- 2113 Social Work Services**
Activities to investigate and diagnose student problems, casework, group work for students and parents, and interpretation of student problems for other staff members. This includes staff and services.
- 2115 Student Safety**
Crossing guards and all activities associated with services to enhance student and campus safety.
- 2116 Behavioral Services**
Student Success Coaches and all activities associated with services.
- 2117 Identification and Recruitment of Migrant Children**
Includes staff and material costs to identify and recruit children identified as “Migrant.”
- 2118 Limited Student Support**
Includes staff and sub costs to support students in need of additional assistance.
- 2119 Other Attendance and Social Services**
Services other than attendance services, social work services, and student safety.
- 2120 Guidance Services**
Activities of counseling students and parents.
- 2122 Counseling Services**
Includes staff, services, and materials.
- 2126 Placement Services**
Career placement assistance for students.
- 2130 Health Services**
Includes the cost of consultants, training, and services related to special health needs.
- 2132 Medical Services**
Activities related to student physical and mental health, including such activities as screening, health examinations, emergency injury and illness care, and communication with parents and medical officials. Includes staff, services, and supplies.

- 2134 Nurse Services**
Nursing activities that are not instruction, such as health inspection, treatment of minor injuries, and referrals for other health services. Includes staff, services, and supplies.
- 2139 Other Health Services**
Health office staff and supplies.
- 2140 Psychological Services**
Includes staff, services, and supplies to provide services for students Districtwide.
- 2150 Speech Pathology and Audiology Services**
Speech therapist program serving students Districtwide.
- 2160 Other Student Treatment Services**
Services such as occupational therapy, physical therapy, and adaptive physical education. Includes staff, services, and supplies.
- 2190 Service Direction, Student Support Services**
Direction and management of student support services (e.g., special education director and at-risk programs).
- 2210 Improvement of Instruction Services**
Activities that assist instructional staff to plan, develop, and evaluate the process of providing learning experiences to students.
- 2211 Improvement of Instruction Services - Service Area Direction**
Activities associated with directing and managing the improvement of instruction services.
- 2213 Curriculum Development**
Includes Administration Center staff and expenses.
- 2219 Other Improvement of Instruction**
Activities associated with directing and managing the improvement of instruction services.
- 2220 Educational Media Services**
Includes staff, services, and supplies for a variety of staff and student media.
- 2222 Library/Media Center**
Includes staff, services, and supplies for school libraries.
- 2223 Multimedia Services**
Includes materials, supplies, and equipment for multimedia services.

- 2230 Assessment and Testing**
Includes staff, services, and materials to provide Districtwide testing and evaluation services to monitor individual and group progress in reaching District and state learning goals and requirements.
- 2240 Instructional Staff Development**
Costs for instructional staff, including educational assistants.
- 2300 Support Services – General Administration**
Activities concerned with establishing and administering policy in connection with operating the District.
- 2310 Board of Education Services**
Includes expenses for audit, legal services, elections, dues, supplies, professional development, and secretarial staff.
- 2321 Office of the Superintendent**
Includes Administration Center staff and expenses.
- 2410 Office of the Principal Services**
Includes staff, services, and supplies to operate the office at each school.
- 2490 Other Support Services—School Administration**
Includes Administration Center staff and services for grades K-12 school operations.
- 2510 Director of Business Support Services**
Includes Administration Center staff and expenses.
- 2520 Fiscal Services**
Includes activities concerned with the fiscal operations of the District.
- 2524 Payroll Services**
Includes Administration Center staff and expenses.
- 2525 Financial Accounting Services**
Includes Administration Center staff and expenses.
- 2528 Risk Management Services**
Includes Administration Center staff and expenses.
- 2529 Other Fiscal Services**
Includes Administration Center staff and expenses.
- 2540 Facilities and Maintenance**
Costs associated with the maintenance and operation of District facilities. Includes custodians, utilities, and maintenance staff.

2542 Care and Upkeep of Buildings Services

Costs associated with keeping a physical plant (facilities) clean and ready for daily use.

2545 HVAC Services

Includes costs associated with the repair, maintenance, and upkeep of District heating, ventilating, and air conditioning (HVAC) equipment.

2550 Student Transportation

Includes costs for labor, fuel, repairs, etc., to operate the bus fleet and transporting District students. This includes transportation to school, activity trips, field trips, and summer school.

2573 Warehouse/Distribution

Includes costs of staff for District courier and warehouse services.

2574 Printing Services

Includes costs of staff, supplies, and equipment for the District's print shop, less the portion recouped from charges back to users.

2610 Direction of Central Support Services

Includes Administration Center staff and expenses.

2620 Planning, Research, Development, Evaluation Services, Grant-Writing, and Statistical Services

Includes staff, services, and supplies.

2630 Information Services

Includes writing, editing, and other preparation necessary to disseminate educational and administrative information to pupils, staff, managers, or the general public through direct mailing, various news media, or personal contact. Includes Administration Center staff and expenses.

2640 Staff Services

Activities concerned with maintaining an efficient staff for the District. Includes such activities as recruiting and placement, staff transfers, health services, and staff accounting. Includes Administration Center staff and expenses.

2642 Recruitment and Placement

Activities concerned with employment and assigning personnel for the District.

2645 Employee Health Services

Activities concerned with medical, dental, and nurse services provided for District employees. Included are physical examinations, referrals, and emergency care.

2660 Technology Services

Districtwide technology, including computing and data processing services, such as networking, and telecommunications costs. Includes staff, equipment, software maintenance fees, repairs, supplies, and capital outlay.

2670 Records Management Services

Districtwide activities concerned with the retention and disposal of District records.

2690 Other Support Services – Central Office

Central Services not classified above.

2700 Supplemental Retirement Program

Costs associated with a supplemental retirement program provided to both current and prior employees by the District.

3110 Food Services – Service Area Direction

Activities of directing and managing the Nutrition Services Program.

3120 Food Services – Food Preparation

Activities related to preparing and serving regular and incidental meals.

3130 Food Services – Food Delivery Services

Activities related to delivering food to the school or District.

3300 Community Services

Activities which are not directly related to the provision of education for pupils in the District.

3390 Other Community Services

Services provided for the community, such as parental involvement and college scholarship expenditures.

4110 Service Area Direction

Activities pertaining to directing and managing facilities acquisition and construction services.

4150 Building Acquisition, Construction, and Improvement Services

Activities related to District property that may be capitalized per Generally Accepted Accounting Principles (GAAP).

4180 Other Capital Items

Activities related to major capital expenditures that are eligible for general obligation bonding like textbooks and technology.

5110 Long-Term Debt Service

Payment for debt retirement exceeding 12 months.

5200 Transfer of Funds

Transactions that withdraw money from one fund and place it in another fund.

6110 Operating Contingency

The portion of the budget not designated for use at this time. This can only be used by Board action for items that could not have been anticipated in the budget (e.g., emergencies).

7000 Unappropriated Ending Fund Balance

Estimate of funds needed to maintain operations of the District from July 1 of the ensuing fiscal year to the time when sufficient new revenues become available to meet cash-flow needs of the fund. No expenditure can be made in the year in which it is budgeted. It is reserved for use in the subsequent year.



SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for proceeds of specific revenues from federal, state, and local sources that are legally restricted to expenditures for specified purposes. The Major Grant Funds are described below and there is a full list of Special Revenue Funds in the Budget Summary Section.

Title IA- Improving Basic Programs Operated by Local Education Agencies

Title IA is intended to help ensure that all children have the opportunity to obtain a high-quality education and reach proficiency on challenging state academic standards and assessments. Title I-A provides flexible funding that may be used to provide additional instructional staff, professional development, extended-time programs, and other strategies for raising student achievement in high-poverty schools. The program focuses on promoting school wide reform in high-poverty schools and ensuring students' access to evidence-based instructional strategies and challenging academic content.



Title IIA- Supporting Effective Instruction

The purpose of Title II-A is to improve teacher and leader quality and focuses on preparing, training, and recruiting high-quality teachers and principals. The Title II-A program is designed, among other things to provide students from low-income families and minority students with greater access to effective educators. In general, Title II funds can be used to provide supplemental strategies and activities that strengthen the quality and effectiveness of teachers, principals, and other school leaders.

IDEIA- Individuals with Disabilities Education Improvement Act

IDEIA is the Individuals with Disabilities Education Improvement Act. It was passed in 1975 and it describes categories of disabilities that make students likely to get special education and services related to their specific needs.

Measure 98- High School Success

High School Success is a fund initiated by ballot Measure 98 in November 2016. The spirit of the measure was to provide funding to establish or expand programs in three specific areas: Dropout Prevention, Career & Technical Education, and College Level Education Opportunities. The intent of High School Success is to improve student progress toward graduation beginning with grade 9, increase the graduation rates of high schools, and improve high school graduates' readiness for college and career. The Student Success Act

passed by the 2019 legislature provides for “full funding” of High School Success. The additional funds will be used for eligible services and provide partial funding for the Pathways Center, an expansion of the Oak Street campus.

Student Investment Account

The Student Investment Account is a fund initiated by HB 3427 established in 2019 and funded by the Corporate Activity Tax. The Student Investment Account is established within the Fund for Student Success and consists of moneys transferred to the account from the Fund for Student Success.

The two stated purposes for the funds distributed under the Student Investment Account are to (1) meet students’ mental or behavioral health needs, and (2) increase academic achievement for students, including reducing academic disparities for economically disadvantaged students; students from racial or ethnic groups that have historically experienced academic disparities; students with disabilities; students who are English language learners; students who are foster children; students who are homeless; and any other student groups that have historically experienced academic disparities, as determined by the State Board of Education.

In order to satisfy the purpose of the Student Investment Account, funds can be allocated between expanding instructional time, student health and safety, reducing class size and caseloads, and providing a well-rounded education. The District engages with the community, student families and school employees to develop the District’s needs.

Federal Funds for COVID-19 Relief

To date, there have been three major rounds of federal funding to relieve the economic, technology, health and safety, and learning losses in K-12 education. The Coronavirus Aid, Relief, and Economic Security Act (CARES, 3/27/20) was made available to the district as two non-completive grants: one for general response efforts (ESSER I), and the second to support comprehensive distance learning (GEER/CDL), for a total of \$2.9 million. The Consolidated Appropriations Act / Coronavirus Response and Relief Supplemental Appropriations Act (CAA/CRRSAA, 12/27/20) is a spending and COVID-relief package, bringing \$11.1 million to HSD in the 2021-23 biennium. Although the administrative rules have not been clearly identified for districts, The American Rescue Plan Act of 2021 is estimated to yield \$1.2 billion to Oregon’s K-12 schools and expires September 30, 2024.



These resources will be allocated in a tiered, multi-year spending plan and adjusted as needed to best meet the needs of students for the longest period of time and highest impact:

- Accelerate learning for students assessed below grade level,
- Extended day academic and engagement opportunities,
- Neighborhood school model (building capacity), and
- Technology, PPE and Equipment.

Nutrition Services

Hillsboro School District's Nutrition Services department provides a supportive role in the education environment by offering nutritionally complete breakfast, lunch, and snacks to district students at a reasonable cost.

Nutrition Services operates federally and state-funded meal programs that provide breakfast, lunch, various after-school snacks, and summer feeding programs; several in cooperation with Hillsboro Parks and Recreation and area organizations. During the regular school year, Nutrition Services provides meals to five high schools, four middle schools, twenty-four elementary schools, one K-8 school, and five Head Start programs. During summer recess multiple meal serving sites and summer learning programs serve meals around the community to provide for populations in need.

Outside of worldwide pandemics, the Nutrition Services department is self-supporting. Nutrition Services pays wages and benefits for approximately 124 employees. This includes school-based, warehouse, office, and District maintenance staff. Salary and benefits represent approximately 48 percent of the department's expenditures.

Food, paper, and chemical supplies average 44 percent of Nutrition Services' expenditures. The department funds provide for repair and/or replacement of capital kitchen equipment as well as other professional service needs, approximately 4 percent of expenditures.

Nutrition Services operates a warehouse and food distribution program that transports food, government commodities, and supplies to all District schools. The department maintains and operates five transport trucks and three vehicles.

Liberty High School's catering staff provides in-district catering services within our District.

Beginning in the 2020-21 school year the State of Oregon has enacted legislative expansion of the free meal eligibility in schools. Increasing the household income limitations as well as supplementing revenues for the Community Eligibility Provision, promoting expansion, are included in the program to decrease food instability in state households. During the 2019-20 school year, HSD's percentage of free-and-reduced-price-eligible students totaled 46 percent or 9,043 students. Due to the pandemic current data is not reliable and indicates a percentage of only 38%. Federal actions have allowed all students to receive meals at no cost during the 2020-21 school year.

During the pandemic, HSD has offered meals at no cost for pick up at 14 school sites as well as running bus routes to drop off one day meal bags. Beginning in the fourth quarter, meals



were offered in a variety of ways depending on student grade and selected attendance model.

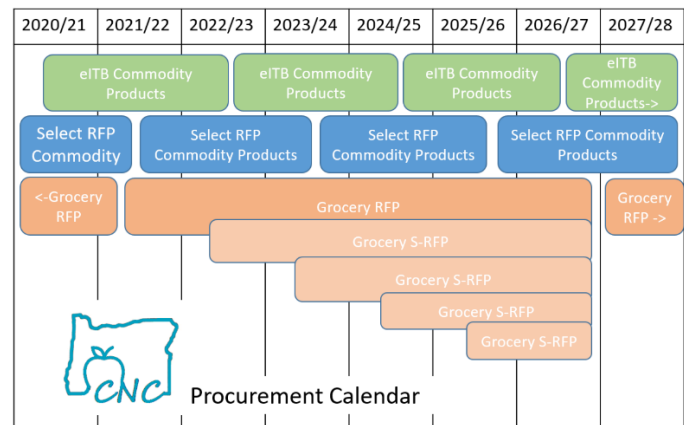
The chart below shows the year-to-date meal participation at District schools.

Month	Average Daily Participation (children)	Total Meals
September	4,082	138,778
October	6,110	256,600
November	6,002	228,090
December	5,921	165,792
January	5,690	227,602
February	5,548	216,036
March	4,104	123,114

An internet payment system for school meals, is offered Districtwide, allowing parents to view student account activity and make electronic payments through the service. Payment is not required to view account activity.

HSD's Nutrition Services also co-directs a statewide purchasing cooperative made up of 75 Oregon school districts. The **Oregon Child Nutrition Coalition** (OCNC) combines their purchasing needs to leverage higher volume pricing with manufacturers and suppliers. The current management contract to HSD is annually renewed, the next three (3) years.

The 2021-22 Budget for the Nutrition Services Division totals \$11,794,268.

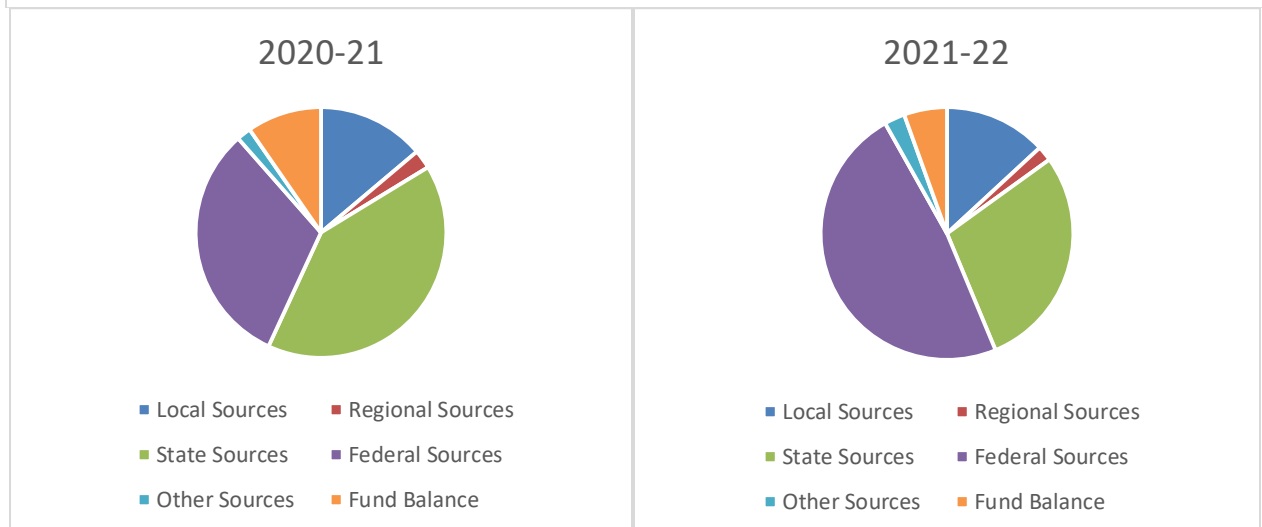
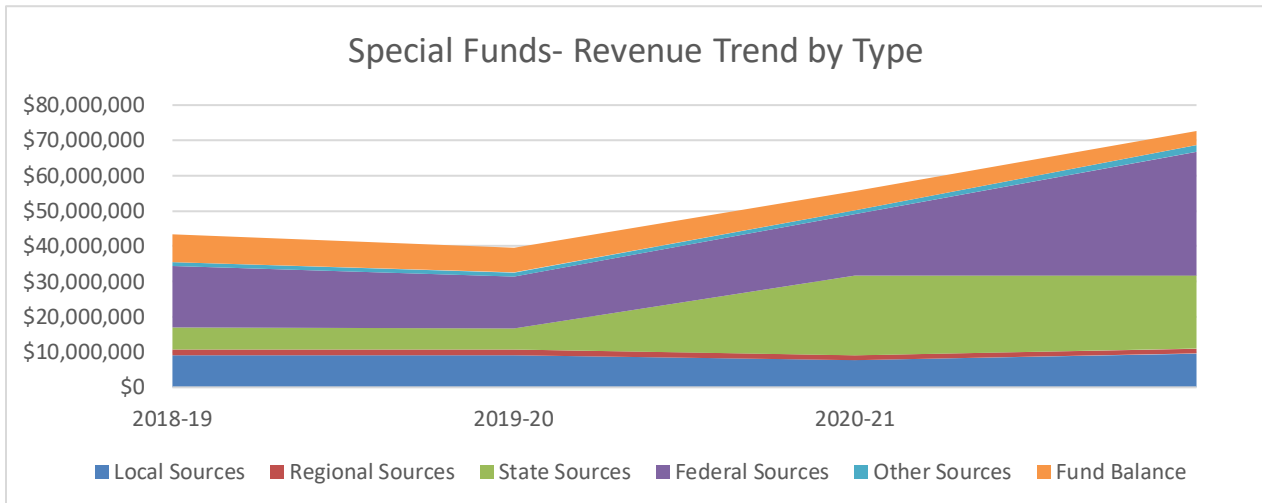


SPECIAL REVENUE FUND REVENUES

ACCOUNT	DESCRIPTION	2018-19 ACTUAL	2019-20 ACTUAL	2020-21 ADOPTED	2021-22 PROPOSED
2XX.0000.1200	CONSTRUCTION EXCISE TAX	\$1,940,482	\$2,557,115	\$1,000,000	\$2,550,115
2XX.0000.1612	LUNCH SALES	\$1,684,809	\$1,218,057	\$1,700,000	\$1,700,000
2XX.0000.1620	NONREIMB PROGRAM SALES	\$97,669	\$73,977	\$100,000	\$100,000
2XX.0000.1630	SPECIAL FUNCTIONS	\$264,170	\$189,117	\$300,000	\$300,000
2XX.0000.1700	XTRACURRICULAR ACTIVITIES	\$239,459	\$340,128	\$126,200	\$350,000
2XX.0000.1705	FUNDRAISER SALES	\$0	\$313	\$0	\$0
2XX.0000.1744	STUDENT PARTICIPATION FEE	\$3,389,610	\$2,518,190	\$3,190,700	\$2,000,000
2XX.0000.1745	STUDENT FEES - OTHER	\$3,595	\$14,410	\$0	\$0
2XX.0000.1750	VENDING MACHINE	\$19,850	\$44,443	\$130,000	\$130,000
2XX.0000.1800	COMMUNITY SERVICES ACTIVITIES	\$61,504	\$71,745	\$55,000	\$0
2XX.0000.1910	BUILDING RENTAL/USAGE	\$65,195	\$60,000	\$250,000	\$200,000
2XX.0000.1920	DONATION FROM PRIV SOURCE	\$921,097	\$1,264,365	\$634,350	\$1,290,000
2XX.0000.1940	SERVICES/OTHER AGENCIES	\$0	\$0	\$0	\$0
2XX.0000.1960	RECOVERY PRIOR YEAR	\$34,902	\$135,990	\$92,500	\$100,500
2XX.0000.1970	REBATES	\$0	\$0	\$36,000	\$0
2XX.0000.1971	ENERGY INCENTIVES	\$0	\$11,782	\$0	\$12,000
2XX.0000.1990	MISCELLANEOUS REVENUE	\$470,174	\$726,932	\$80,500	\$801,768
LOCAL REVENUE		\$9,192,516	\$9,226,564	\$7,695,250	\$9,534,383
2XX.0000.2200	RESTRICTED REVENUE	\$1,100,346	\$1,088,276	\$980,000	\$1,000,000
2XX.0000.2212	PUBLIC PURPOSE CHARGE REV	\$431,297	\$396,947	\$375,000	\$400,000
INTERMEDIATE SOURCES		\$1,531,643	\$1,485,223	\$1,355,000	\$1,400,000
2XX.0000.3102	SCHOOL SUPPT/LUNCH MATCH	\$82,049	\$81,221	\$85,000	\$85,000
2XX.0000.3120	REDUCED BRKFST/LNCH	\$77,308	\$11,776	\$85,000	\$20,000
2XX.0000.3122	OR FREE EXPAND ELIG BKFST	\$0	\$0	\$200,000	\$65,000
2XX.0000.3123	OR FREE EXPAND ELIG LUNCH	\$0	\$43,369	\$1,300,000	\$85,000
2XX.0000.3124	OR CEP SUPPLEMENT BKFST	\$0	\$0	\$35,000	\$50,000
2XX.0000.3125	ORE CEP SUPPLEMENT LUNCH	\$0	\$0	\$14,000	\$1,450,000
2XX.0000.3199	OTHER UNRESTRICTED GRANTS	\$0	\$12,819	\$0	\$0
2XX.0000.3200	RESTRICTED GRANTS IN AID	\$931,613	\$685,853	\$467,000	\$350,000
2XX.0000.3222	SSF TRANSPORTATION EQUIP	\$1,620,000	\$1,464,000	\$1,400,000	\$1,450,000
2XX.0000.3299	OTHER RESTRICTED GRANTS	\$3,616,813	\$3,682,967	\$18,969,877	\$17,282,967
STATE SOURCES		\$6,327,783	\$5,982,005	\$22,555,877	\$20,837,967
2XX.0000.4100	UNRESTR DIR FROM FED GOVT	\$29,356	\$12,834	\$30,000	\$15,000
2XX.0000.4202	MEDICAID REIMBURSEMENT	\$0	\$26,005	\$0	\$100,000
2XX.0000.4500	RESTR FROM FED THRU STATE	\$948,763	\$818,280	\$547,000	\$18,600,000
2XX.0000.4501	TITLE I REVENUES	\$5,599,242	\$4,656,790	\$5,371,500	\$5,250,000
2XX.0000.4505	SCHOOL NUTRITION REVENUE	\$5,506,994	\$5,241,994	\$6,475,000	\$6,685,000
2XX.0000.4506	PERKINS VOC ED REVENUE	\$151,028	\$109,019	\$161,000	\$110,000

ACCOUNT	DESCRIPTION	2018-19 ACTUAL	2019-20 ACTUAL	2020-21 ADOPTED	2021-22 PROPOSED
2XX.0000.4508	IDEA (PL 101-476)	\$2,908,691	\$2,395,098	\$2,900,000	\$2,600,000
2XX.0000.4509	TITLE ID REVENUES	\$17,793	\$30,732	\$10,500	\$30,732
2XX.0000.4512	TITLE II REVENUE	\$575,121	\$383,534	\$500,000	\$450,000
2XX.0000.4580	HOMELESS GRANT	\$59,384	\$49,828	\$60,000	\$50,000
2XX.0000.4700	GRANTS FROM FED THRU OTHR	\$864,466	\$352,483	\$856,000	\$350,000
2XX.0000.4705	DEPENDT CARE BLOCK GRANT	\$37,889	\$49,754	\$50,000	\$50,000
2XX.0000.4910	USDA COMMODITIES	\$608,456	\$562,010	\$615,000	\$685,000
FEDERAL SOURCES		\$17,307,183	\$14,688,361	\$17,576,000	\$34,975,732
2XX.0000.5100	LONG-TERM DEBT FINANCE SOURCE	\$1,084,810	\$1,200,388	\$1,000,000	\$1,500,000
2XX.0000.5200	INTERFUND TRANSFERS	\$0	\$0	\$400,000	\$400,000
2XX.0000.5300	COMPENSATION/LOSS ASSETS	\$15,449	\$10,312	\$25,000	\$15,000
OTHER SOURCES		\$1,100,259	\$1,210,700	\$1,425,000	\$1,915,000
2XX.0000.5400	BEGINNING FUND BALANCE	\$7,932,428	\$7,098,095	\$4,960,428	\$4,000,000
TOTAL RESOURCES		\$43,391,812	\$39,690,948	\$55,567,555	\$72,663,082

Technical Correction highlighted after May 20, 2020, Budget Committee Meeting

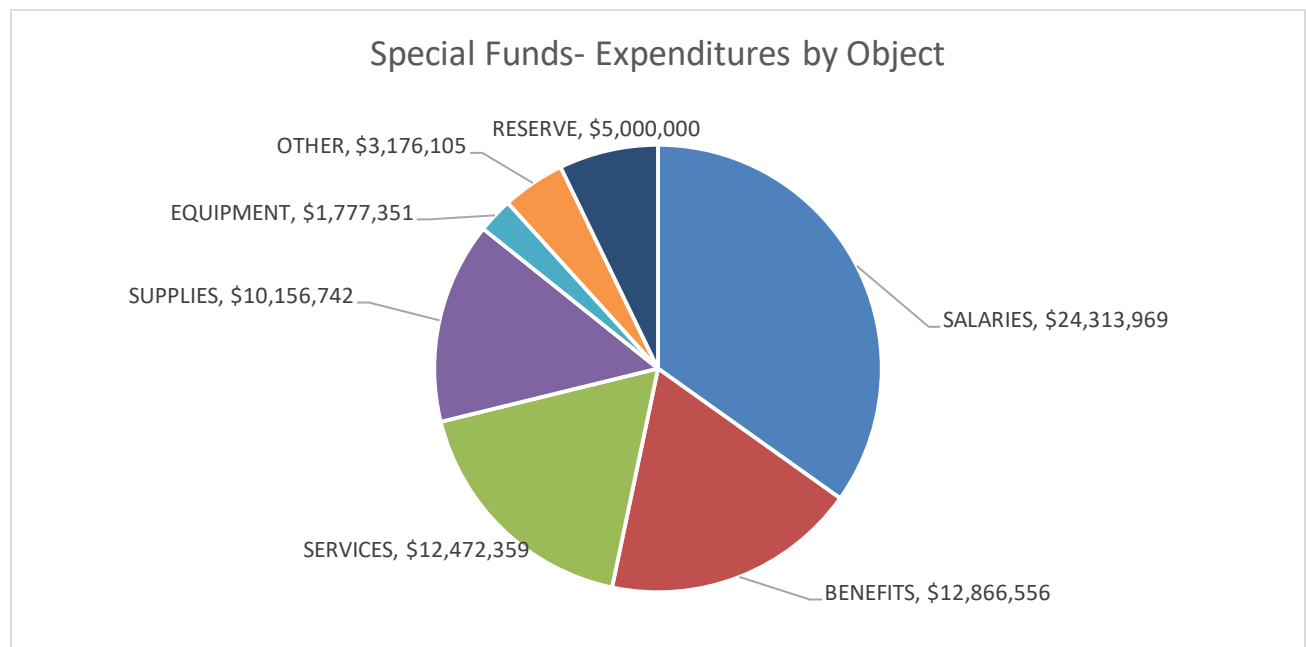


SPECIAL REVENUE FUND EXPENDITURES BY OBJECT

ACCOUNT	DESCRIPTION	2018-19 ACTUAL	2019-20 ACTUAL	2020-21 ADOPTED	2021-22 PROPOSED
2XX.0000.0111	REG LICENSED SALARIES	\$4,190,794	\$3,407,443	\$10,956,531	\$12,792,903
2XX.0000.0112	REG CLASSIFIED SALARIES	\$5,120,133	\$4,727,002	\$6,294,797	\$7,349,838
2XX.0000.0113	REG ADMIN SALARIES	\$1,013,915	\$1,062,593	\$1,592,295	\$1,859,172
2XX.0000.0114	REG SUPERVISORY SALARIES	\$300,021	\$192,440	\$344,774	\$402,560
2XX.0000.0121	SUBSTITUTES-LICENSED	\$7,659	\$2,839	\$5,081	\$5,933
2XX.0000.0122	SUBSTITUTES-CLASSIFIED	\$52,782	\$41,962	\$80,936	\$94,501
2XX.0000.0123	CERTIFIED TEMPORARY WAGE	\$149,860	\$130,085	\$129,907	\$151,680
2XX.0000.0124	TEMPORARY-CLASSIFIED	\$175,872	\$134,061	\$150,041	\$175,189
2XX.0000.0131	EXTENDED CONTRACT	\$578,435	\$321,574	\$546,651	\$638,273
2XX.0000.0134	ADVISOR PAY	\$8,000	\$9,775	\$11,174	\$13,047
2XX.0000.0136	ATHLETIC/ACTIVITY PAY	\$0	\$10,071	\$13,494	\$15,756
2XX.0000.0138	EXTRA DUTY STIPEND	\$6,900	\$7,073	\$7,000	\$8,173
2XX.0000.0139	OVERTIME WAGES	\$31,555	\$25,659	\$34,715	\$40,533
2XX.0000.0140	OTHER TIME	\$60,671	\$90,755	\$86,280	\$739,821
2XX.0000.0144	STUDENT WAGES	\$33,720	\$23,456	\$22,773	\$26,590
TOTAL SALARIES		\$11,730,317	\$10,186,788	\$20,276,449	\$24,313,969
2XX.0000.0211	PERS EMPLOYER CONTRIBUTN	\$648,508	\$716,382	\$951,706	\$1,111,217
2XX.0000.0213	PERS BOND 2005	\$739,660	\$660,627	\$1,276,183	\$1,490,078
2XX.0000.0214	PERS BOND 2015	\$216,854	\$190,525	\$367,154	\$428,691
2XX.0000.0216	PERS EMPLOYER-TIER III	\$874,415	\$1,093,882	\$2,305,652	\$2,692,091
2XX.0000.0218	PERS PRIOR YEAR RECVRY REFUND	\$6,013	\$0	\$0	\$0
2XX.0000.0220	SOCIAL SECURITY ADMIN	\$882,138	\$769,231	\$1,491,664	\$1,741,675
2XX.0000.0231	WORKERS' COMPENSATION	\$96,095	\$85,334	\$141,010	\$164,644
2XX.0000.0232	UNEMPLOYMENT COMPENSATION	\$11,518	\$10,032	\$19,752	\$23,063
2XX.0000.0241	DISABILITY INSURANCE	\$40,937	\$38,644	\$79,364	\$92,666
2XX.0000.0242	MEDICAL INSURANCE	\$2,233,683	\$1,945,896	\$3,563,997	\$4,161,342
2XX.0000.0243	LIFE INSURANCE	\$11,879	\$10,326	\$19,450	\$22,710
2XX.0000.0244	EMPLOYEE ASSISTANCE	\$2,328	\$2,108	\$4,389	\$5,125
2XX.0000.0245	TRAVEL ALLOWANCE	\$5,700	\$6,900	\$11,739	\$13,707
2XX.0000.0246	DENTAL INSURANCE	\$282,757	\$270,773	\$478,226	\$558,379
2XX.0000.0248	VISION INSURANCE	\$65,847	\$64,114	\$107,921	\$126,009
2XX.0000.0249	TUITION REIMBURSEMENT	\$6,000	\$135	\$232	\$271
2XX.0000.0251	ADMIN FLEX BENEFIT	\$111,625	\$120,000	\$189,649	\$221,435
2XX.0000.0254	COMMUNICATIONS STIPEND	\$12,335	\$10,713	\$11,523	\$13,453
TOTAL BENEFITS		\$6,248,292	\$5,995,622	\$11,019,611	\$12,866,556
2XX.0000.0310	INST, PROF & TECH SERVICE	\$304,394	\$354,132	\$370,143	\$432,181
2XX.0000.0311	INSTRUCTION SERVICES	\$215,876	\$394,945	\$3,315,417	\$3,871,098
2XX.0000.0312	INSTR PROG IMPROVEMENT	\$80,848	\$101,999	\$144,065	\$168,211

ACCOUNT	DESCRIPTION	2018-19 ACTUAL	2019-20 ACTUAL	2020-21 ADOPTED	2021-22 PROPOSED
2XX.0000.0313	STUDENT SERVICES	\$11,065	\$17,325	\$24,131	\$28,175
2XX.0000.0318	PROF IMPROVE/NON-INSTRUCT	\$9,143	\$7,613	\$11,500	\$13,427
2XX.0000.0319	OTHER PROF & TECH INSTRNL	\$120,129	\$135,323	\$573,494	\$669,615
2XX.0000.0322	REPAIR & MAINTENANCE	\$1,065,057	\$30,874	\$198,725	\$232,032
2XX.0000.0323	LAUNDRY & DRY CLEANING	\$40,500	\$13,089	\$50,000	\$58,380
2XX.0000.0324	RENTAL EXPENSE	\$4,139	\$4,121	\$10,940	\$12,774
2XX.0000.0325	ELECTRICITY	\$14,111	\$3,099	\$16,000	\$18,682
2XX.0000.0330	STUDENT TRANSPORTATION	\$33,775	\$74,690	\$97,208	\$113,501
2XX.0000.0331	REIMBURSABLE STUDENT TRAN	\$95,504	\$20,627	\$126,653	\$147,881
2XX.0000.0332	NONREIMB STUDENT TRANSP	\$110	\$0	\$0	\$0
2XX.0000.0340	TRAVEL	\$640,395	\$354,429	\$619,308	\$723,107
2XX.0000.0343	STUDENT OUT OF DIST TRANS	\$35,263	\$6,764	\$13,311	\$15,542
2XX.0000.0351	TELEPHONE	\$356	\$480	\$401	\$468
2XX.0000.0353	POSTAGE	\$8,603	\$7,346	\$15,899	\$18,564
2XX.0000.0354	ADVERTISING	\$796	\$1,978	\$3,092	\$3,610
2XX.0000.0355	PRINTING & BINDING	\$26,450	\$21,049	\$39,806	\$46,478
2XX.0000.0360	CHARTER SCHOOL PAYMENTS	\$0	\$3,915	\$89,532	\$104,538
2XX.0000.0374	OTHER TUITION PAYMENTS	\$15,615	\$25,310	\$53,454	\$62,413
2XX.0000.0382	LEGAL SERVICES	\$40,039	\$40,205	\$723,736	\$845,038
2XX.0000.0390	OTHER GEN PROF & TECH SRV	\$175,845	\$120,976	\$274,557	\$320,574
2XX.0000.0391	SUBSTITUTES- LICENSED	\$301,225	\$209,446	\$362,941	\$1,923,772
2XX.0000.0395	COMMUNITY PROGRAMS	\$0	\$2,090	\$3,256	\$3,802
2XX.0000.0399	SUBSTITUTES- CLASSIFIED	\$97,580	\$103,892	\$1,403,296	\$2,638,496
TOTAL SERVICES		\$3,336,818	\$2,055,717	\$8,540,865	\$12,472,359
2XX.0000.0410	SUPPLIES & MATERIALS	\$4,551,199	\$3,025,620	\$2,782,089	\$3,248,382
2XX.0000.0413	FOOD SUPPLIES	\$0	\$0	\$0	\$0
2XX.0000.0414	PAPER SUPPLIES	\$144	\$0	\$500	\$0
2XX.0000.0415	USDA COMMODITIES	\$608,465	\$562,010	\$614,500	\$717,493
2XX.0000.0418	GASOLINE & OIL	\$10,223	\$6,938	\$15,150	\$17,689
2XX.0000.0419	TIRES	\$949	\$0	\$2,500	\$2,919
2XX.0000.0420	TEXTBOOKS	\$82,843	\$23,054	\$22,423	\$26,181
2XX.0000.0430	LIBRARY BOOKS	\$11,255	\$19,154	\$105,472	\$123,150
2XX.0000.0440	PERIODICAL SUBSCRIPTIONS	\$13,984	\$7,339	\$14,719	\$17,186
2XX.0000.0450	FOOD	\$2,853,145	\$2,521,088	\$4,035,762	\$4,712,177
2XX.0000.0460	NON-CONSUMABLE ITEMS	\$166,228	\$147,440	\$263,669	\$307,861
2XX.0000.0461	<\$5000 EQUIPMENT	\$269,921	\$136,914	\$173,932	\$203,084
2XX.0000.0470	COMPUTER SOFTWARE	\$254,549	\$203,680	\$295,820	\$345,401
2XX.0000.0480	COMPUTER HARDWARE	\$293,853	\$170,049	\$313,343	\$365,861
2XX.0000.0481	<\$5000 COMPUTER HARDWARE	\$96,566	\$35,365	\$59,402	\$69,358
TOTAL SUPPLIES		\$9,213,324	\$6,858,651	\$8,699,281	\$10,156,742

ACCOUNT	DESCRIPTION	2018-19 ACTUAL	2019-20 ACTUAL	2020-21 ADOPTED	2021-22 PROPOSED
2XX.0000.0510	LAND ACQUISITION	\$21,991	\$0	\$0	\$0
2XX.0000.0520	BUILDINGS ACQUISITION	\$188,973	\$0	\$0	\$0
2XX.0000.0530	IMPROV OTHER THAN BLDGS	\$832,682	\$382,533	\$448,494	\$523,664
2XX.0000.0540	CAPITAL EQUIPMENT	\$1,275,364	\$122,195	\$872,565	\$1,018,811
2XX.0000.0542	REPLACEMENT EQUIPMENT	\$166,555	\$4,591	\$175,000	\$204,331
2XX.0000.0550	CAPITAL TECHNOLOGY	\$53,996	\$25,828	\$26,160	\$30,545
2XX.0000.0564	BUS & CPTL BUS IMPRVMENT	\$0	\$1,595,872	\$0	\$0
TOTAL EQUIPMENT		\$2,539,561	\$2,131,019	\$1,522,219	\$1,777,351
2XX.0000.0610	PRINCIPAL	\$2,328,163	\$2,263,477	\$1,466,037	\$2,000,000
2XX.0000.0621	INTEREST	\$190,606	\$106,248	\$77,777	\$90,813
2XX.0000.0622	INTEREST-TRANSPORTATION	\$0	\$30,010	\$14,205	\$16,586
2XX.0000.0640	DUES & FEES	\$165,654	\$88,963	\$119,489	\$139,516
2XX.0000.0651	LIABILITY INSURANCE	\$135,724	\$46,212	\$25,000	\$29,190
2XX.0000.0690	GRANT INDIRECT CHARGES	\$405,258	\$461,201	\$1,118,644	\$900,000
TOTAL OTHER		\$3,225,405	\$2,996,111	\$2,821,152	\$3,176,105
2XX.0000.0700	INTERFUND TRANSFERS	\$0	\$0	\$400,000	\$400,000
TOTAL TRANSFERS		\$0	\$0	\$400,000	\$400,000
2XX.0000.0810	PLANNED RESERVE	\$0	\$0	\$0	\$5,000,000
2XX.0000.0820	RESERVED FOR NEXT YEAR	\$7,098,095	\$9,467,040	\$2,287,978	\$2,500,000
TOTAL EXPENDITURES		\$43,391,812	\$39,690,948	\$55,567,555	\$72,663,082



SPECIAL REVENUE FUND EXPENDITURES BY FUNCTION

ACCOUNT	DESCRIPTION	2018-19 ACTUAL	2019-20 ACTUAL	2020-21 ADOPTED	2021-22 PROPOSED
2XX.1111.0000	PRIMARY PROGRAMS K-3	\$486,179	\$565,627	\$5,661,093	\$6,609,922
2XX.1113.0000	ELEMENTARY EXTRACURRICULAR	\$44,723	\$44,668	\$465,354	\$543,350
2XX.1121.0000	MIDDLE SCHOOL PROGRAMS	\$324,868	\$675,381	\$4,880,476	\$5,698,469
2XX.1122.0000	MIDDLE SCH EXTRACURRICULR	\$144,771	\$27,257	\$210,447	\$245,719
2XX.1131.0000	HIGH SCHOOL PROGRAMS	\$2,104,362	\$1,409,307	\$4,788,767	\$5,591,390
2XX.1132.0000	HIGH SCH EXTRACURRICULAR	\$3,547,576	\$2,537,272	\$51,130	\$59,700
2XX.1133.0000	HIGH SCH SATURDAY SCHOOL	\$2,503	\$850	\$1,933	\$2,257
2XX.1140.0000	PRE-KINDERGARTEN PROGRAMS	\$19,136	\$45,586	\$5,660	\$6,609
2XX.1210.0000	TALENTED & GIFTED PROGRAMS	\$0	\$650	\$1,701	\$1,986
2XX.1221.0000	LEARNING CNTRS-STRUCTURED	\$1,111,006	\$1,069,057	\$1,120,303	\$1,308,072
2XX.1223.0000	COMMUNITY TRANSITION SRVC	\$399,960	\$146,127	\$181,851	\$212,330
2XX.1227.0000	EXTENDED SCHOOL YR PROGRM	\$0	\$6,789	\$0	\$1,513,976
2XX.1250.0000	LESS RESTR PROG-DISABLED	\$341,618	\$399	\$0	\$0
2XX.1272.0000	TITLE I	\$3,210,625	\$2,347,418	\$2,423,539	\$2,829,737
2XX.1280.0000	ALTERNATIVE EDUCATION	\$415,393	\$299,765	\$455,049	\$531,318
2XX.1288.0000	CHARTER SCHOOLS	\$0	\$1,499	\$0	\$0
2XX.1289.0000	OPTIONS PROGRAMS	\$777,409	\$735,509	\$1,201,602	\$1,402,997
2XX.1290.0000	DESIGNATED PROGRAMS	\$0	\$443	\$0	\$0
2XX.1291.0000	ENGLISH 2ND LANG PROGRAMS	\$13,738	\$14,650	\$19,173	\$22,386
2XX.1292.0000	TEEN PARENT PROGRAMS	\$37,778	\$49,754	\$50,000	\$58,380
2XX.1293.0000	MIGRANT EDUCATION	\$1,211,771	\$1,352,321	\$1,366,907	\$1,596,008
2XX.1295.0000	INDIAN EDUCATION PROGRAM	\$31,242	\$14,396	\$27,653	\$32,288
2XX.1400.0000	SUMMER SCHOOL PROGRAMS	\$6,295	\$3,637	\$9,518	\$11,112
2XX.1420.0000	SUMMER PROG-MIDDLE SCHOOL	\$3,626	\$0	\$0	\$0
2XX.1430.0000	SECONDARY SUMMER	\$6,103	\$0	\$0	\$0
2XX.1440.0000	K-3 SUMMER SCHOOL PROGRAM	\$14,936	\$0	\$0	\$0
2XX.1495.0000	ID & RCRTMNT - MIGRANT SUMMR	\$4,906	\$0	\$0	\$0
TOTAL INSTRUCTION		\$14,260,524	\$11,348,362	\$22,922,156	\$28,278,006
2XX.2113.0000	SOCIAL WORK SERVICES	\$281,935	\$0	\$0	\$0
2XX.2115.0000	STUDENT SAFETY	\$44,912	(\$4,942)	\$53,239	\$62,162
2XX.2117.0000	ID & RCRTMNT OF MIGRANT	\$222,316	\$117,175	\$130,005	\$151,795
2XX.2118.0000	LIMITED STUDENT SUPPORT	\$0	\$0	\$640,258	\$747,569
2XX.2119.0000	OTHER ATTEN & SOCIAL SVCS	\$428,845	\$159,770	\$190,371	\$222,278
2XX.2120.0000	GUIDANCE SERVICES	\$0	\$0	\$661,171	\$771,987
2XX.2122.0000	COUNSELING SERVICES	\$1,110,677	\$1,302,991	\$2,050,036	\$2,393,633
2XX.2130.0000	HEALTH SERVICES	\$33,886	\$49,023	\$662,288	\$773,291
2XX.2132.0000	MEDICAL SERVICES	\$0	\$5,053	\$0	\$0
2XX.2134.0000	NURSE SERVICES	\$227,889	\$0	\$1,025,646	\$1,197,550

ACCOUNT	DESCRIPTION	2018-19 ACTUAL	2019-20 ACTUAL	2020-21 ADOPTED	2021-22 ADOPTED
2XX.2139.0000	OTHER HEALTH SERVICES	\$0	\$0	\$1,857,776	\$2,169,149
2XX.2140.0000	PSYCHOLOGICAL SERVICES	\$118,782	\$122,165	\$796,934	\$930,504
2XX.2150.0000	SPEECH & AUDIO SERVICES	\$37,967	\$39,360	\$43,526	\$50,821
2XX.2160.0000	STUDENT TREATMENT SERVICE	\$372,112	\$389,077	\$430,353	\$502,482
2XX.2190.0000	STUDENT SERVICES DIRECTOR	\$704,968	\$722,499	\$877,001	\$1,023,991
2XX.2210.0000	IMPROVEMENT OF INSTRUCTION	\$259,275	\$412,571	\$1,389,543	\$1,622,438
2XX.2219.0000	OTHER IMPR OF INSTRUCTION	\$22,905	\$17,494	\$33,000	\$38,531
2XX.2222.0000	LIBRARY/MEDIA CENTER	\$12,435	\$19,967	\$178,527	\$208,449
2XX.2230.0000	ASSESSMENT & TESTING	\$8,771	\$8,118	\$12,668	\$14,791
2XX.2240.0000	HEALTH SERVICES	\$1,477,594	\$922,388	\$1,157,823	\$1,351,880
2XX.2300.0000	SUPPORT SVCS-GEN ADMIN	\$0	\$0	\$0	\$900,000
2XX.2410.0000	OFFICE OF THE PRINCIPAL	\$120,333	\$81,507	\$211,450	\$246,890
2XX.2490.0000	OTHER SUP-SCH ADMINISTRATION	\$101,631	\$107,011	\$315,145	\$367,965
2XX.2510.0000	DIR OF BUSINESS SUPPORT SRV	\$84,513	\$33,615	\$135,166	\$157,821
2XX.2520.0000	FISCAL SERVICES	\$149,450	\$0	\$525,000	\$612,993
2XX.2528.0000	RISK MANAGEMENT SERVICES	\$0	\$46,212	\$0	\$0
2XX.2540.0000	FACILITIES MAINTENANCE	\$2,283,945	\$639,576	\$701,827	\$819,457
2XX.2542.0000	ENERGY RETROFIT	\$0	\$75,776	\$48,715	\$56,880
2XX.2550.0000	STUDENT TRANSPORTATION	\$1,235,730	\$1,628,986	\$1,533,829	\$1,790,907
2XX.2574.0000	PRINTING SERVICES	\$3,278	\$6,664	\$0	\$0
2XX.2610.0000	DIRECTOR/CENTRAL SUPPORT	\$680,180	\$766,113	\$1,023,473	\$1,195,012
2XX.2630.0000	COMMUNITY RELATIONS	\$34,765	\$0	\$0	\$0
2XX.2640.0000	RECRUITMENT AND PLACEMENT	\$6,000	\$9,503	\$122,311	\$142,811
2XX.2645.0000	EMPLOYEE HEALTH SERVICES	\$0	\$327	\$0	\$0
2XX.2660.0000	TECHNOLOGY SERVICES	\$28,394	\$67,895	\$1,909	\$2,228
2XX.2690.0000	OTHER SUPPORT SRVCS-CENTRAL	\$0	\$148,006	\$0	\$0
TOTAL SUPPORT SERVICES		\$10,093,488	\$7,893,900	\$16,808,990	\$20,526,265
2XX.3110.0000	SERVICE AREA DIRECTION	\$969,172	\$1,182,726	\$0	\$0
2XX.3120.0000	FOOD PREP & DISP SERVICES	\$7,827,531	\$6,482,171	\$11,309,962	\$11,794,268
2XX.3130.0000	FOOD PREP & DISP SERVICES	\$28,455	\$63,837	\$0	\$17,937
2XX.3300.0000	COMMUNITY SERVICES	\$130,896	\$115,425	\$147,022	\$171,664
2XX.3390.0000	OTHER COMMUNITY SERVICES	\$464,956	\$737,715	\$777,938	\$908,324
TOTAL COMMUNITY SERVICES		\$9,421,010	\$8,581,874	\$12,234,922	\$12,892,193
2XX.5100.0000	DEBT SERVICE	\$2,518,695	\$2,399,772	\$913,509	\$3,066,618
2XX.5200.0000	INTERFUND TRANSFERS	\$0	\$0	\$400,000	\$400,000
TOTAL OTHER EXPENDITURES		\$2,518,695	\$2,399,772	\$1,313,509	\$3,466,618
2XX.6100.0000	PLANNED RESERVE	\$0	\$0	\$0	\$5,000,000
2XX.7000.0000	RESERVED FOR NEXT YEAR	\$7,098,095	\$9,467,040	\$2,287,978	\$2,500,000
TOTAL EXPENDITURES		\$43,391,812	\$39,690,948	\$55,567,555	\$72,663,082

DEBT SERVICE FUND

The Debt Service Fund is designated for repayment of long or short-term debt from the sale of bonds used to finance capital construction.

The primary revenue source is property taxes that fall outside the limits set for operation. The tax levy for debt service is determined by dividing the bonded debt by the assessed value of the District.

The voters passed a construction levy in November 2006. Since that time, the Board has approved three bond refinancing options and authorized the sale of Pension Obligation Bonds in order to minimize interest expenses and the pending unfunded actuarial liability cost of the Districts retirement obligation.

The community voted again in November 2017 to approve the sale of \$408 million in bonds for capital projects. These bonds are being issued in two separate sales in order to align the proceeds with the cash flow requirements of project expenditures as described in the ballot title.

The 2017 Bond was defined as a “renewal” levy that replaced expiring debt service items without increasing the tax rate per thousand of assessed value to local constituents. This section of the budget document identifies both revenue and expenditures for debt service only. Bond project expenditures will be included in the Capital Construction section of the document.

The District collects tax revenues for all outstanding bond issues. The total outstanding principal as of July 1, 2021, is \$450,705,000 in bonded capital project debt, and \$96,655,000 for PERS Pension Obligation Bonds. The debt limit for Hillsboro School District is based on an assessed value of \$16.7 billion. The debt ratio as of June 30, 2020, was 4.69 percent.



DEBT SERVICE FUND REVENUE

ACCOUNT	DESCRIPTION	2018-19 ACTUAL	2019-20 ACTUAL	2020-21 ADOPTED	2021-22 PROPOSED
300.0000.1111	CURRENT YEAR PROPERTY TAX	\$33,135,235	\$35,396,545	\$38,274,437	\$37,744,550
300.0000.1112	PRIOR YEAR PROPERTY TAX	\$1,035,638	\$286,568	\$265,000	\$265,000
300.0000.1114	PAYMENTS IN LIEU OF TAX	\$6,623	\$6,167	\$7,000	\$7,000
300.0000.1190	PENALTIES & INTER ON TAX	\$31,869	\$34,466	\$32,000	\$32,000
300.0000.1512	INTEREST ON LGIP	\$283,562	\$279,426	\$320,000	\$320,000
300.0000.1990	MISCELLANEOUS REVENUE	\$1,211	\$57	\$0	\$0
300.0000.5400	BEGINNING FUND BALANCE	\$2,537,190	\$2,400,290	\$0	\$500,000
390.0000.1512	INTEREST ON LGIP	\$0	\$148,664	\$0	\$126,000
390.0000.1970	SERVICES PROVIDE OTHER FUND	\$11,383,708	\$11,877,350	\$12,593,687	\$13,181,071
TOTAL REVENUE		\$48,415,036	\$50,429,533	\$51,492,124	\$52,175,621

DEBT SERVICE FUND EXPENDITURES BY OBJECT

ACCOUNT	DESCRIPTION	2018-19 ACTUAL	2019-20 ACTUAL	2020-21 ADOPTED	2021-22 PROPOSED
300.XXXX.0610	REDEMPTION OF PRINCIPAL	\$11,430,000	\$20,010,000	\$15,355,000	\$18,500,000
300.XXXX.0621	INTEREST	\$23,211,049	\$16,377,125	\$23,223,437	\$19,244,550
300.XXXX.0640	DUES AND FEES	\$0	\$0	\$1,000	\$1,000
300.XXXX.0820	RESERVED FOR NEXT YEAR	\$2,400,290	\$2,018,562	\$319,000	\$1,249,000
390.XXXX.0610	REDEMPTION OF PRINCIPAL	\$6,075,000	\$6,985,000	\$7,855,000	\$8,790,000
390.XXXX.0620	INTEREST	\$5,298,697	\$3,587,799	\$4,738,687	\$4,391,071
390.XXXX.0621	INTEREST	\$0	\$1,451,047	\$0	\$0
TOTAL EXPENDITURES		\$48,415,036	\$50,429,533	\$51,492,124	\$52,175,621

DEBT SERVICE FUND EXPENDITURES BY FUNCTION

ACCOUNT	DESCRIPTION	2018-19 ACTUAL	2019-20 ACTUAL	2020-21 ADOPTED	2021-22 PROPOSED
300.2520.XXXX	FISCAL SERVICES	\$0	\$0	\$1,000	\$1,000
300.5110.XXXX	LONG TERM DEBT SERVICE	\$34,641,049	\$36,387,125	\$38,578,437	\$37,744,550
300.7000.XXXX	UNAPPROPRIATED ENDING BALANCE	\$2,400,290	\$2,018,562	\$319,000	\$1,249,000
390.5110.XXXX	LONG TERM DEBT SERVICE	\$11,373,697	\$12,023,846	\$12,593,687	\$13,181,071
TOTAL EXPENDITURES		\$48,415,036	\$50,429,533	\$51,492,124	\$52,175,621

CAPITAL CONSTRUCTION FUND

The Capital Construction Fund consists of funds used to complete projects associated with the 2017 bond issue. The 2017 Bond Program will assist the District in reaching the goal of an “equitable learning environment” for all students in all schools. While understanding that each school presents physical challenges due to its age and design, bond projects will inspire students to achieve their educational goals, while continuing to provide excellent stewardship of District resources. Achieving an equitable learning environment will be accomplished by ensuring that classrooms are comfortable and safe places for students and staff; by providing flexibility and allowing for implementation of technology and innovation; and ensuring that students are prepared for life after school, whether that is higher education or career.

The bond will accomplish these goals by focusing on the priorities identified during the bond campaign:

Prioritize Safety and Security



New gymnasium at North Plains Elementary

- Ensure that all district campuses are equipped with modern safety and security systems
- Provide improved parent/bus/pedestrian traffic flow at all district campuses
- Upgrade all buildings to current seismic code
- Install cameras and GPS systems on District school buses

Renovate and Repair Aging Schools



Eastwood Elementary Re-Roofing

- Upgrade HVAC systems and add air conditioning to all school buildings
- Replace failing water pipes
- Replace/repair roofs
- Remodel Reedville Elementary School
- Remodel Hillsboro High School
- Construct lighted synthetic turf fields at Glencoe, Hillsboro and Century High Schools
- Construct track at Hillsboro High School
- Replace portable buildings in the poorest condition with permanent modular structures
- Other improvements as identified during construction at all school sites

Relieve Crowded Classrooms and Plan for Growth



New gymnasium at WL Henry Elementary

- Construct new 600-student elementary school to replace Brookwood Elementary School
- Construct new 600-student elementary school in North Plains
- Construct new 600-student elementary school in South Hillsboro
- Build new gymnasiums at elementary schools to replace existing gym-a-cafeteriums

Provide a Modern Education for Every Student

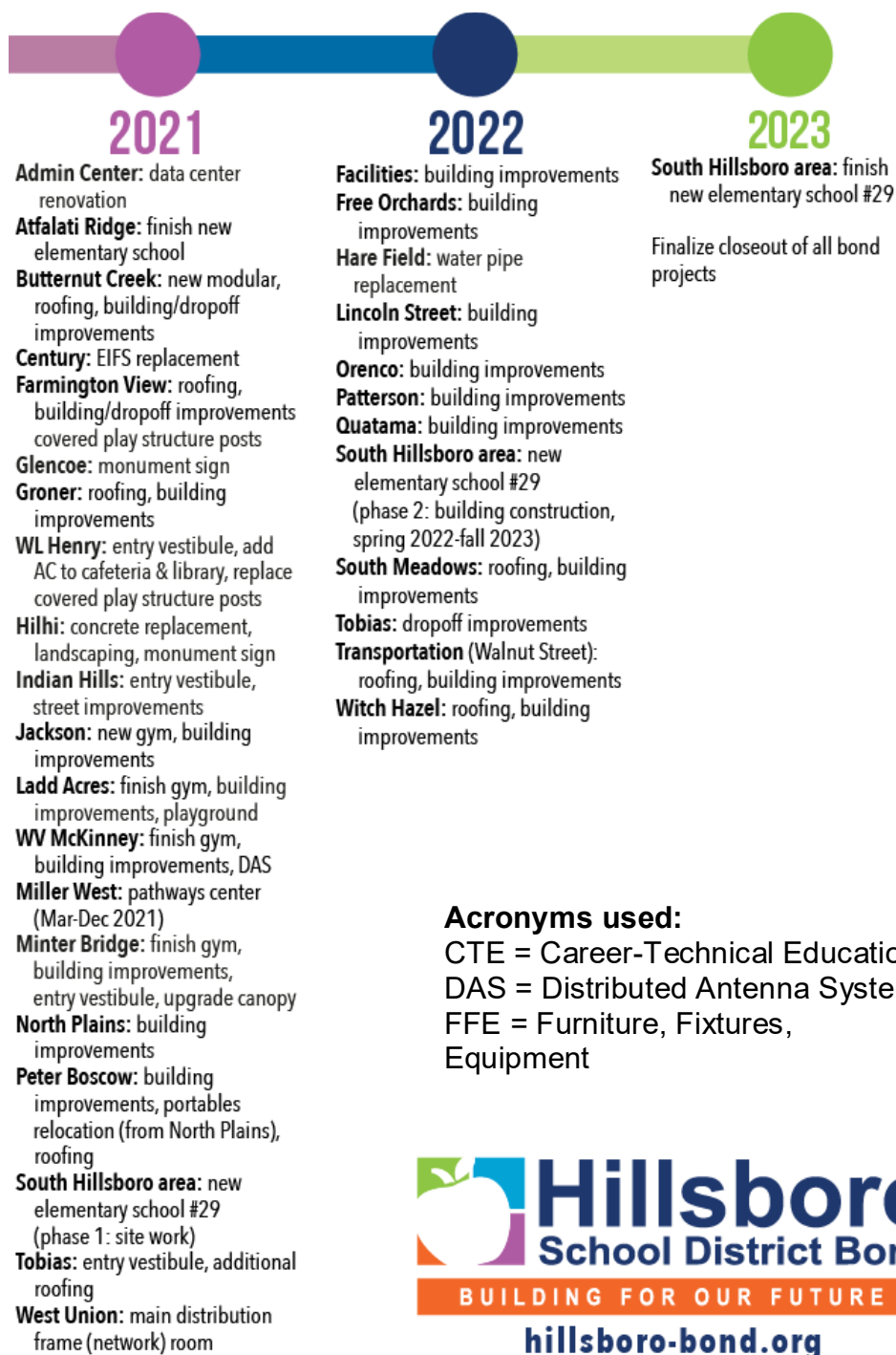


Miller Pathways Center excavation for new building

- Upgrade classroom technology at all schools
- Upgrade District technology infrastructure including construction of a dark fiber ring to serve all District facilities
- Career-technical education investment at all District high schools
- Purchase of flexible classroom furniture for all District schools

Budget Year Project Timeline

The grid below illustrates the timeline for projects in the current budget year. For current information on bond projects, please visit the Hillsboro School District Bond web site at hillsboro-bond.org.



CAPITAL CONSTRUCTION FUND RESOURCES

ACCOUNT	DESCRIPTION	2018-19 ACTUAL	2019-20 ACTUAL	2020-21 ADOPTED	2021-22 PROPOSED
4XX.0000.151X	INTEREST ON INVESTMENTS	\$5,484,598	\$4,339,592	\$2,000,000	\$250,000
4XX.0000.153X	UNREALIZED GAIN OR LOSS ON INVES	\$2,279,215	(\$231,916)	\$0	\$0
4XX.0000.1960	RECOVERY PRIOR YEAR EXP	\$763,973	\$5,212	\$0	\$0
4XX.0000.3200	RESTRICTED GRANTS-IN-AID	\$0	\$8,000,000	\$0	\$0
4XX.0000.5110	BOND PROCEEDS	\$0	\$167,306,843	\$0	\$0
4XX.0000.5400	BEGINNING FUND BALANCE	\$302,160,060	\$223,535,859	\$184,302,038	\$83,000,000
TOTAL RESOURCES		\$310,687,846	\$402,955,590	\$186,302,038	\$83,250,000

CAPITAL CONSTRUCTION FUND EXPENDITURES BY OBJECT

ACCOUNT	DESCRIPTION	2018-19 ACTUAL	2019-20 ACTUAL	2020-21 ADOPTED	2021-22 PROPOSED
4XX.0000.0112	REG CLASSIFIED SALARIES	\$132,418	\$140,090	\$150,000	\$125,000
4XX.0000.0113	REG ADMIN SALARIES	\$505,479	\$464,770	\$510,000	\$535,000
4XX.0000.0114	REG SUPERTECH SALARIES	\$87,033	\$142,574	\$175,000	\$175,000
4XX.0000.012X	NONPERMANENT SALARIES	\$4,761	\$3,106	\$0	\$0
4XX.0000.013X	ADDITIONAL SALARIES	\$49,654	\$114,513	\$150,000	\$35,000
4XX.0000.014X	OTHER SALARIES	\$29,614	\$6,403	\$0	\$0
TOTAL SALARIES		\$808,959	\$871,456	\$985,000	\$870,000
4XX.0000.0211	PERS EMPLOYER CONT-TIER I	\$94,300	\$113,018	\$120,000	\$150,000
4XX.0000.0213	PERS UAL CONTRIBUTION	\$56,213	\$63,064	\$70,000	\$75,000
4XX.0000.0214	PERS BOND – 2015	\$16,490	\$18,142	\$20,000	\$20,000
4XX.0000.0216	PERS EMPLOYER-TIER III	\$35,337	\$70,128	\$100,000	\$75,000
4XX.0000.0220	SOCIAL SECURITY ADMIN	\$61,096	\$65,909	\$100,000	\$80,000
4XX.0000.0231	WORKERS' COMPENSATION	\$4,315	\$4,216	\$7,500	\$5,000
4XX.0000.0232	UNEMPLOYMENT COMPENSATION	\$819	\$870	\$1,500	\$1,500
4XX.0000.0240	MEDICAL/DENTAL INSURANCE	\$101,955	\$129,439	\$150,000	\$175,000
TOTAL BENEFITS		\$370,525	\$464,786	\$569,000	\$581,500
4XX.0000.0322	REPAIR & MAINTENANCE	\$0	\$685,689	\$1,250,000	\$350,000
4XX.0000.0324	RENTAL EXPENSE	\$116,309	\$1,367,536	\$1,250,000	\$350,000
4XX.0000.0331	STUDENT TRANSPORTATION	\$375	\$361	\$0	\$0
4XX.0000.0340	TRAVEL	\$5,429	\$1,514	\$7,500	\$1,000
4XX.0000.0354	ADVERTISING	\$1,408	\$413	\$7,500	\$1,000
4XX.0000.0355	PRINTING & BINDING	\$9,303	\$844	\$1,500	\$15,000
4XX.0000.0382	LEGAL SERVICES	\$0	\$10,008	\$0	\$0
4XX.0000.0383	ARCHITECT/ENGINEER SERVCS	\$12,717,168	\$7,349,316	\$5,000,000	\$2,500,000
4XX.0000.0388	ELECTION SERVICES	\$0	\$0	\$0	\$0
4XX.0000.0390	OTHER GEN PROF & TECH SRV	\$5,706,234	\$6,113,409	\$5,000,000	\$2,500,000
4XX.0000.0391	LICENSED SUBSTITUTES	\$566	\$13,267	\$0	\$0
4XX.0000.0392	BANK SERVICE FEE	\$0	(\$13)	\$0	\$0

ACCOUNT	DESCRIPTION	2018-19 ACTUAL	2019-20 ACTUAL	2020-21 ADOPTED	2021-22 PROPOSED
4XX.0000.0399	CLASSIFIED SUBSTITUTES	\$68,441	\$144,269	\$0	\$0
TOTAL SERVICES		\$18,625,233	\$15,686,613	\$12,516,500	\$5,717,000
4XX.0000.0410	SUPPLIES & MATERIALS	\$52,407	\$46,421	\$50,000	\$22,500
4XX.0000.0460	NON-CONSUMABLE ITEMS	\$930,510	\$3,970,309	\$500,000	\$500,000
4XX.0000.0461	<\$5000 EQUIPMENT	\$719,466	\$78,945	\$250,000	\$112,500
4XX.0000.0470	COMPUTER SOFTWARE	\$44,048	\$2,444,278	\$35,000	\$15,000
4XX.0000.0480	COMPUTER HARDWARE	\$549,453	\$339,066	\$100,000	\$1,000,000
4XX.0000.0481	<\$5000 COMPUTER HARDWARE	\$1,023,015	\$81,120	\$100,000	\$45,000
TOTAL SUPPLIES		\$3,318,899	\$6,960,139	\$1,035,000	\$1,695,000
4XX.0000.0520	BUILDINGS ACQUISITION	\$40,821,286	\$157,117,898	\$98,374,500	\$35,639,000
4XX.0000.0530	IMPROV OTHER THAN BLDGS	\$16,329,047	\$8,993,668	\$7,500,000	\$2,500,000
4XX.0000.0540	CAPITAL EQUIPMENT	\$3,827,963	\$4,323,049	\$5,000,000	\$500,000
4XX.0000.0550	CAPITAL TECHNOLOGY	\$10,600	\$214,407	\$0	\$0
TOTAL CAPITAL OUTLAY		\$60,988,896	\$170,649,022	\$110,874,500	\$38,639,000
4XX.0000.0640	DUES & FEES	\$6,645	\$655,282	\$25,000	\$10,000
4XX.0000.0650	INSURANCE	\$10,000	\$70,216	\$0	\$0
4XX.0000.0670	TAXES & LICENSES	\$3,022,830	\$2,047,261	\$2,200,000	\$750,000
TOTAL OTHER		\$3,039,475	\$2,772,759	\$2,225,000	\$760,000
4XX.0000.0810	PLANNED RESERVE	\$0	\$0	\$5,000,000	\$5,000,000
4XX.0000.0820	RESERVED FOR NEXT YEAR	\$223,535,859	\$205,550,815	\$53,097,038	\$29,987,500
Total Expenditures		\$310,687,846	\$402,955,590	\$186,302,038	\$83,250,000

CAPITAL CONSTRUCTION FUND EXPENDITURES BY FUNCTION

ACCOUNT	DESCRIPTION	2018-19 ACTUAL	2019-20 ACTUAL	2020-21 ADOPTED	2021-22 PROPOSED
4XX.2520.XXXX	FISCAL SERVICES	\$0	\$0	\$0	\$0
4XX.2540.XXXX	FACILITIES MAINTENANCE	\$0	\$0	\$0	\$0
4XX.2660.XXXX	TECHNOLOGY	\$104,912	\$52,588	\$205,000	\$12,500
4XX.4110.XXXX	SERVICE AREA DIRECTION	\$9,045	\$0	\$0	\$0
4XX.4150.XXXX	BUILDING ACQUISITIONS	\$77,384,300	\$187,190,041	\$125,000,000	\$45,750,000
4XX.4180.XXXX	OTHER CAPITAL PURCHASES	\$9,653,730	\$10,162,146	\$3,000,000	\$2,500,000
4XX.5110.XXXX	LONG TERM DEBT SERVICE	\$0	\$0	\$0	\$0
4XX.6110.XXXX	OPERATING CONTINGENCY	\$0	\$0	\$5,000,000	\$5,000,000
4XX.7000.XXXX	UNAPPROPRIATED ENDING BALANCE	\$223,535,859	\$205,550,815	\$53,097,038	\$29,987,500
TOTAL EXPENDITURES		\$310,687,846	\$402,955,590	\$186,302,038	\$83,250,000

INTERNAL SERVICE FUND

PERS rates are very dependent on the performance of the market, with approximately 65-70 percent of PERS revenue coming from interest earnings. This means that when earnings decrease, District PERS rates increase.

The PERS Reserve Fund was originally established in 2005-06 with a \$750,000 transfer from the General Fund to allow the District some security against fluctuating PERS rates. The District has used this reserve to supplement the General Fund when rates have been up. The PERS reserve has also been supplemented with transfers from the General Fund when finances allowed.

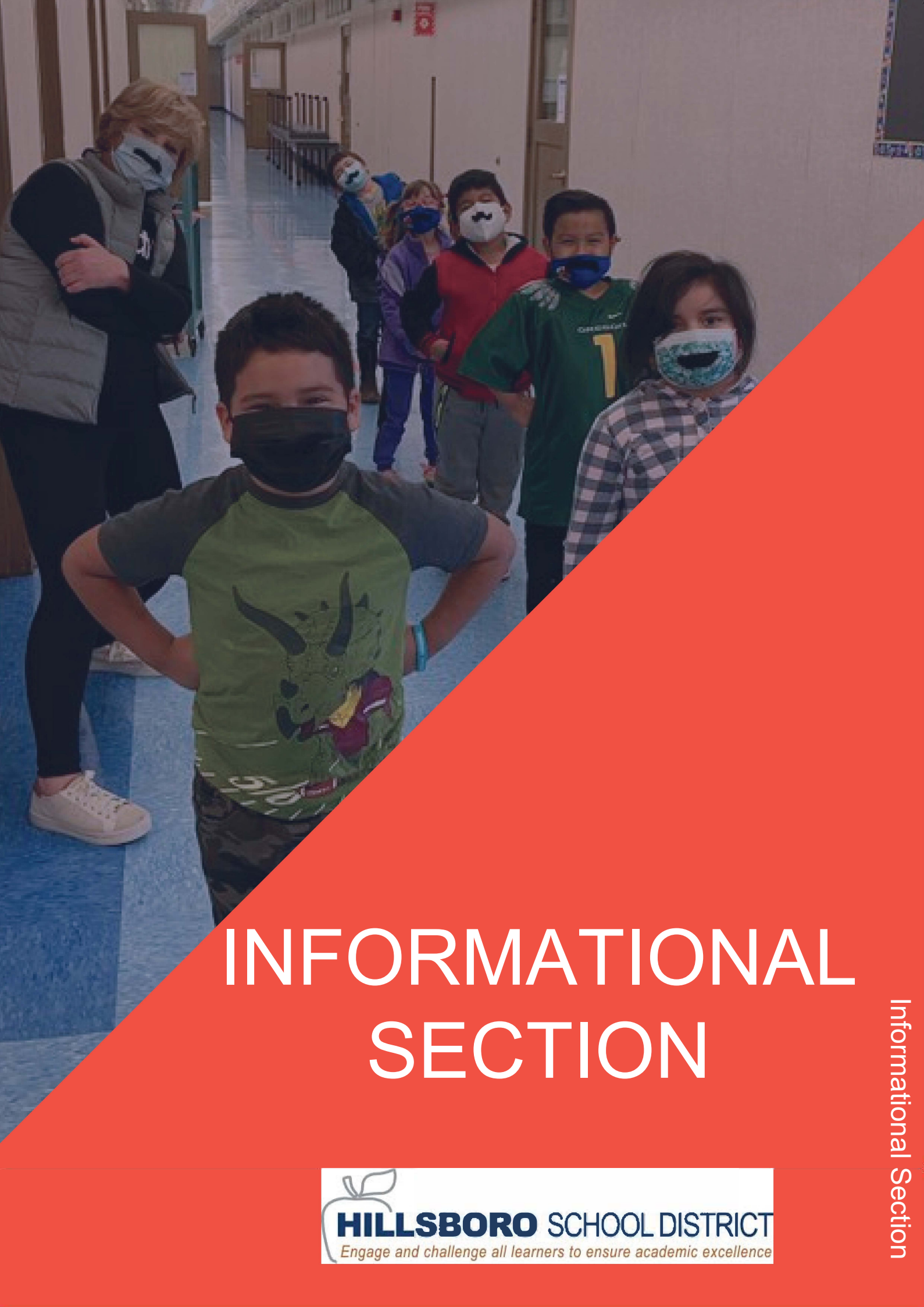
The 2015-16 Budget included a \$500,000 transfer from the General Fund to the PERS reserve for a total of \$2.0 million that was maintained through 2016-17 in anticipation of rate increases in the 2017-2019 biennium. The 2017-18 Budget transferred \$1.0 million of the PERS Reserve Fund into the General Fund to offset a portion of the PERS employer rate increase. A final transfer of \$1.0 million occurred in 2018-19, and exhausted the Fund.

The PERS Reserve is classified to Fund 100 per Generally Accepted Accounting Principles (GAAP) on the Consolidated Annual Financial Statement as prescribed by the District's independent auditor.

INTERNAL SERVICE FUND RESOURCES AND EXPENDITURES

ACCOUNT	DESCRIPTION	2018-19 ACTUAL	2019-20 ACTUAL	2020-21 ADOPTED	2021-22 PROPOSED
RESOURCES					
XXX.0000.1990	MISCELLANEOUS REVENUE	\$0	\$0	\$0	\$0
XXX.0000.5200	INTERFUND TRANSFER	\$0	\$0	\$0	\$0
XXX.0000.5400	BEGINNING FUND BALANCE	\$1,000,000	\$0	\$0	\$0
TOTAL RESOURCES		\$1,000,000	\$0	\$0	\$0
EXPENDITURES					
XXX.0000.0790	TRANSFER TO GENERAL FUND	\$1,000,000	\$0	\$0	\$0
XXX.0000.0820	* RESERVE	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES		\$1,000,000	\$0	\$0	\$0

(This page intentionally left blank)



INFORMATIONAL SECTION



HILLSBORO SCHOOL DISTRICT 1J
INFORMATIONAL SECTION
TABLE OF CONTENTS

<u>INFORMATIONAL SECTION</u>	<u>Page</u>
Summary of Revenues & Expenditures History and Budgeted – All Funds.....	84
Assessed Value and Real Market Value of Taxable Property	84
Property Tax Levies and Collections	85
Tax Rate Effect on Taxpayers.....	85
Student Enrollment History.....	86
Budget General Obligation Bonds Schedule	89
Budget Situation Retrospective.....	90
Glossary of Terms and Acronyms.....	98

SUMMARY OF REVENUES & EXPENDITURES HISTORY AND BUDGETED – ALL FUNDS

	Actual 2017-2018	Actual 2018-2019	Actual 2019-2020	Adopted Budget 2020-21	Proposed Budget 2021-22
Revenue	\$610,458,149	\$306,353,618	\$485,389,132	\$336,765,186	\$361,630,554
Transfers In	0	0	0	400,000	400,000
Beginning Balance	25,762,596	326,425,477	243,124,786	199,071,557	96,994,012
Total	636,220,745	632,779,095	728,513,918	536,236,743	459,024,566
Expenditures	309,795,268	389,654,309	499,504,267	529,336,743	452,624,566
Transfers Out	0	0	0	400,000	400,000
Contingency	0	0	0	6,500,000	6,000,000
Total	309,795,268	389,654,309	499,504,267	536,236,743	459,024,566
Total	<u>\$326,425,477</u>	<u>243,124,786</u>	<u>\$229,009,651</u>	<u>0</u>	<u>0</u>

ASSESSED VALUE OF TAXABLE PROPERTY WITHIN HILLSBORO SCHOOL DISTRICT BOUNDARIES

Fiscal Year	Measure 5 Real Market Value	District Assessed Value	Total Direct Rate	Assessed Value as a percentage of RMV
2020	\$25,224,928,632	\$16,682,866,306	\$6.27	66.14%
2019	23,998,502,613	15,915,917,572	6.22	66.32
2018	22,216,523,502	15,503,796,073	5.84	69.78
2017	19,976,367,255	14,586,782,181	5.86	73.02
2016	18,084,023,581	14,019,008,427	5.87	77.52
2015	16,044,946,890	12,527,948,271	5.94	78.08
2014	14,411,174,670	11,946,872,340	6.28	82.90
2013	13,539,051,755	11,438,477,752	6.30	84.49
2012	14,163,468,669	11,356,808,253	6.29	80.18
2011	14,546,832,813	10,908,553,101	6.40	74.99

PROPERTY TAX LEVIES AND COLLECTIONS

Fiscal Year	Net Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collection in Subsequent Years	Tax Collections to Date	
		Amount	Per. of Levy		Amount	Per. of Levy
2020	\$ 117,575,638	\$112,800,608	95.94%	\$ 0	\$ 112,800,608	95.94 %
2019	111,269,635	106,810,743	95.99	737,735	107,548,478	96.66
2018	108,740,079	104,171,341	95.80	1,211,566	105,382,907	96.91
2017	103,666,996	99,478,687	95.96	1,246,460	100,725,147	97.16
2016	100,046,726	95,613,087	95.57	1,372,155	96,985,242	96.94
2015	92,272,618	88,208,658	95.60	1,584,788	89,793,446	97.31
2014	87,085,501	82,849,198	95.14	2,046,482	84,895,680	97.49
2013	84,325,790	80,516,253	95.48	2,083,316	82,599,569	97.95
2012	83,738,165	79,664,870	95.14	3,478,389	83,143,259	99.29
2011	81,827,938	77,466,427	94.67	3,187,687	80,654,114	98.57

Source: Washington County Department of Assessment and Taxation and Hillsboro School District financial records

TAX RATE EFFECT ON TAXPAYERS

While the District lies in multiple counties, 99.98 percent of the District's assessed value lies within Washington County. The District's Operating (Permanent) Tax Rate Limit is \$4.9749 per \$1,000 of assessed property value, and calculated in conjunction with the implementation of Measure 50 in 1997. There are 116 tax codes in Washington County that overlap the District and Tax Code 7.01¹ has the highest property value of these tax codes. Total tax levies in the District range from \$11.1287 to \$19.2505 per \$1,000 of assessed property value.

For a homeowner with an assessed value of \$350,000, the permanent tax rate of \$4.9749/\$1,000 would yield an annual uncompressed tax of \$1,741.22. For the additional General Obligation debt service levy of \$2.24/\$1,000, the uncompressed annual tax would be \$784. Combined, the total annual taxes for the year would be \$2,525.22 on behalf of Hillsboro School District. Please see the [Washington County Assessment and Taxation web site](#) for additional taxpayer resources.

¹ Source: Washington County Department of Assessment and Taxation.

STUDENT ENROLLMENT

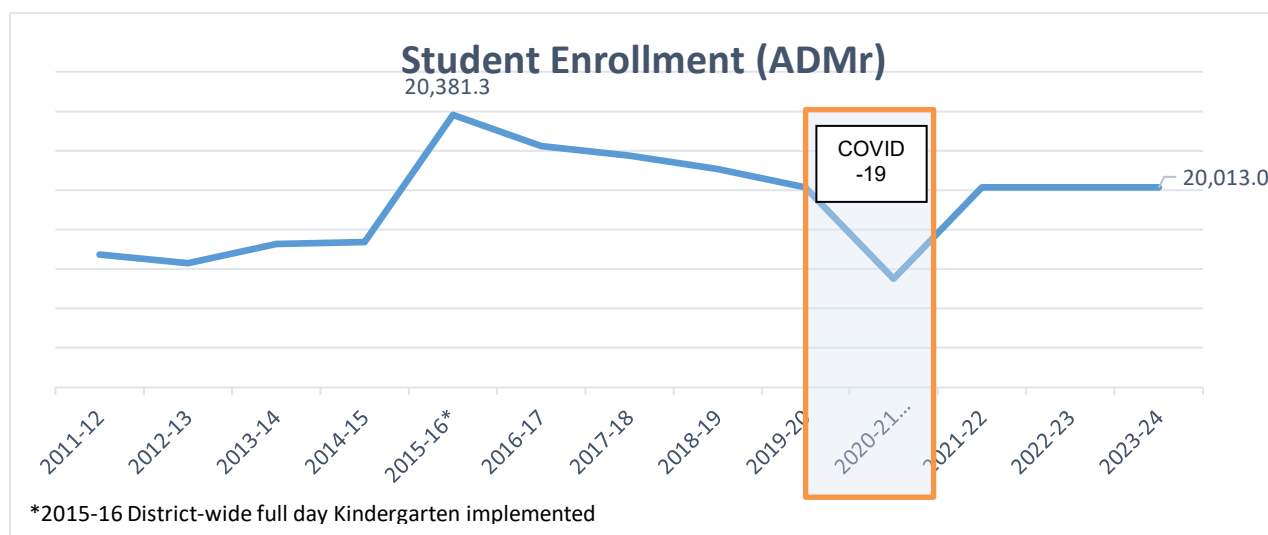
For the 2020-21 school year, the District will operate twenty-five elementary schools, serving Grades K-6; one elementary school, serving Grades K-8; four middle schools, serving Grades 7-8; and four high schools, serving Grades 9-12. Hillsboro School District also serves students in one alternative school, one online academy, and one charter school.

In order to have the most complete picture possible for projecting enrollment, the District has multiple tools for estimating the number and types of students to serve. Enrollment projections drive the State School Fund formula and predict funding levels. Recent residential development trends also rely on projections. Please see methods described below.

Davis Demographics Reports	(2016, 2017, 2018, 2019, 2020) This annual report is based on historical student enrollment by school, participation and mobility trends, and regional residential development.	The most recent report shows there are housing projects underway and the District is only beginning to see new students.
Oregon Department of Education²	(Quarterly) Consolidated student enrollment reports and state school fund estimates provide insight to enrollment and demographics for the District and the state of Oregon.	The District's Student Information System provides the data and staff verify that data prior to use.
Historical Student Data	District staff record and analyze data monthly to project staffing and facility needs for instruction at the targeted class size and caseload ratios.	A five-year annual ADMr average change and class roll-ups determine the enrollment levels for budgeting purposes.

The Average Daily Membership (ADMr) represents the number of resident students in attendance at schools within the district. The district submits a quarterly and annual report generated by the student information system to the Department of Education that drives the base level of state funding, prior to weighting for various types of students. Typically, the first quarter enrollment report from October 1st is higher than the finalized annual report that determines funding. Please note in the chart below that in 2015-16 Kindergarten changed from .5 FTE to 1.0 FTE in order for districts to fund full-day services.

² Oregon Department of Education: <http://www.oregon.gov/ODE/Pages/default.aspx>



In the following chart, ADMr represents Average Daily Membership-Resident or students enrolled. ADMw represents Average Daily Membership-Weighted and includes the students enrolled plus their additional weighting for various eligibilities such as students on individual education plans, students in poverty, etc. Please see [ORS 327.013](#) for more information on student eligibility and weighting.

Annual	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
HSD ADMr	19,672.4	19,630.1	19,727.0	19,737.2	20,381.3	20,223.4	20,176.6
HSD ADMw	23,810.3	23,756.0	23,950.5	24,104.8	25,293.4	24,998.3	24,770.1

	2018-19	2019-20	>>> Projected >>>	2020-21	2021-22	2022-23	2023-24
HSD ADMr	20,108.3	20,013.0		19,550.7	20,013.0	20,013.0	20,013.0
HSD ADMw	24,608.5	24,454.4		24,454.4 ³	24,454.4	24,454.4	24,454.4

Another key piece of data is the October 1st District enrollment report. Historically, the October 1st enrollment marks the highest student count of the year and projections are used for staffing and determining discretionary budgets for schools. The district has experienced level and declining enrollment over the last five years. Although student growth is anticipated due to new available housing within the district, birth rates are down (consistent with national trends), and student mobility (students exiting the District across all grades) is a challenge that district staff are focusing on.

³ Extended ADMw is the highest of the current or prior year for funding purposes.

October 1st Enrollment

Grade Level	2018-19	2019-20	2020-21	2021-22	Increase/Decrease from Prior Year
Elementary School	11,151	11,023	10,882	11,023	+1.30%
Middle School	3,087	3,083	3,271	3,083	-5.75%
High School	6,117	6,011	5,846	6,011	+2.82%
TOTAL	20,355	20,117	19,999	20,117	+0.59%



BUDGET GENERAL OBLIGATION BONDS

		PRINCIPAL OUTSTANDING 7/1/2021	2021-22 PRINCIPAL PAYMENTS	2021-22 INTEREST PAYMENTS
PURPOSE	GO Bond Series 2012, 2020 Refunding			
ISSUE DATE	October 2020			
ISSUE AMOUNT	\$40,360,000	\$39,015,000	\$865,000	\$212,951
COUPON RATES	0.22-0.75%			
FINAL PAYMENT DATE	June 2025			
PURPOSE	GO Bond Refunding, Series 2012			
ISSUE DATE	November 2012			
ISSUE AMOUNT	\$98,950,000	\$13,800,000	\$13,800,000	\$563,250
COUPON RATES	1.50 – 5.00%			
FINAL PAYMENT DATE	June 2026			
PURPOSE	GO Bond, Series 2017			
ISSUE DATE	November 2017			
PAR AMOUNT	\$268,395,000	\$259,375,000	\$1,420,000	\$12,900,350
COUPON RATES	1.50 – 5.00%			
FINAL PAYMENT DATE	June 2038			
PURPOSE	GO Bond, Series 2020			
ISSUE DATE	February 2020			
PAR AMOUNT	\$139,605,000	\$138,515,000	\$3,280,000	\$5,780,950
COUPON RATES	1.50 – 5.00%			
FINAL PAYMENT DATE	June 2040			
PURPOSE	Pension Bond Pool			
ISSUE DATE	June 2005			
ISSUE AMOUNT	\$102,850,000	\$63,230,000	\$7,300,000	\$3,009,116
COUPON RATES	4.052 – 4.759%			
FINAL PAYMENT DATE	June 2028			
PURPOSE	Pension Obligation Bond			
ISSUE DATE	March 2015			
ISSUE AMOUNT	\$39,285,000	\$33,425,000	\$1,490,000	\$1,381,955
COUPON RATES	0.65% – 3.505%			
FINAL PAYMENT DATE	June 2034			
TOTAL		\$547,360,000	\$28,155,000	\$23,848,572
GENERAL OBLIGATION DEBT SERVICE (LEVIED)		\$450,705,000	\$19,365,000	\$19,457,501

BUDGET SITUATION RETROSPECTIVE

Background

The Hillsboro School District's total budget is made up of money from many sources: the state of Oregon; the federal government (grant money); local property taxes; sports, activities, and building use fees; interest earned on bonds and investments; and unspent money from the prior year.

Some of the money can only be used for specific things. For example, when the District passed the \$169 million bond in 2006, the money raised from the sale of those bonds could only be used for construction, renovation, and facilities upgrade projects. Another example is the federal grant money we receive to provide extra support to our high poverty (Title I) schools or to provide special education services. Yet another example is the property taxes we collect to pay our bond debt.

When you take out the money that can only be used for specific things, you're left with General Fund dollars. The General Fund is like the District's bank account; within this account, a majority of the money can be spent (the checking account), while a portion of the money is meant to stay where it's at in case of an emergency (the savings account – also known as 'reserves'). As with a home budget, things are constantly changing both at the State and local level. As you'll see below, this requires constant rebalancing throughout the school year and in some cases has required school districts to make significant budget adjustments during a school year.

In Oregon, budgeting is done at the state level every two years (a two-year period is called a biennium) and is based on projected (estimated) income, primarily in the form of state income tax collections. K-12 education receives approximately 39% of the state's budget, and this money equals roughly 70% of the total money school districts receive for their General Fund budgets. In general, a healthy state economy is good for public schools—property taxes stay steady with rising property values and income tax collections are predictable with a low unemployment rate. However, when property values are falling and unemployment is high, school districts and other state services suffer due to the loss of property tax revenues and state income tax collections.

Budget History

2002-03 and 2003-04 (-\$22.8 million and -\$18 million)

To look back in history a bit, the 2002-03 and 2003-04 school years were extremely tough for the state and for Hillsboro School District. In 2002-03, the District planned to cut \$7.8 million from its General Fund, and ended up having to cut another \$15 million when the state couldn't deliver the money it said we would get. That meant the District had to cut 14 school days for students in Grades K-8 and 16 school days for students in Grades 9-12; 55 teachers, classified workers and administrators; as well as things like Outdoor School, professional development programs, and textbook adoptions.

In 2003-04, the District had to cut approximately \$18 million, which meant another 222 employees lost their jobs, after-school sports and activities were eliminated in elementary

schools, major maintenance on our buildings was deferred, and class sizes went up to 30:1 in Grades K-6 and 29.5:1 in Grades 7-12.

2004-05 through 2007-08 (+\$33 million)

Things improved over the next four and a half school years, with a total of approximately \$33 million and 230 staff positions restored, as well as the reinstatement of and reinvestment in programs.

2008-09 (-\$3.47 million)

In September 2008, however, the economy began to enter crisis mode with the collapse of the housing market and subsequent plummeting of the stock market. This economic crisis led to mid-year spending cuts and freezes throughout the District, however federal stimulus money helped the District avoid cutting school days.

2009-10 (-\$18.3 million, including 4 reduced days, +\$6 million, including 4 restored days)

For the 2009-11 biennium, the state built its K-12 budget at the \$6 billion level. That \$6 billion was made up of \$226,099,942 in federal stimulus money, \$200 million from the state's Rainy Day Fund, \$733 million in new revenue from personal and business tax increases, and General Fund resources of \$4,841,096,061—over \$1.1 billion of the budget was from one-time or new funds. With this in mind, the District chose to budget conservatively and planned for \$18.3 million in cuts to the 2009-10 General Fund. To get there, staff (39 positions) and other cuts were made, including the reduction of four calendar days, and memorandums of understanding (MOUs) were negotiated with our union groups. Those MOUs included language that allowed for the adding back of school days and salary if the state was able to deliver on its funding promise. The MOU language called for a decision to be made by April 1, 2010, as to whether or not the money was there for the add-backs, and at that time, following the passage of Measures 66 and 67, the state estimated there would be \$6.0 billion in funding available, so the add-backs took place.

2010-11 (-\$8.3 million, including 6 reduced days)

Meanwhile, the District planned its 2010-11 General Fund budget, assuming flat revenues and anticipating things like the end of federal stimulus money and Public Employee Retirement System (PERS) rate increases. Building reserves to plan for those cost increases meant that certain additional reductions would have to be made to the General Fund.

Then, on May 27, 2010, the state announced that it would be \$577 million short on money it expected to collect. The Hillsboro School District had built its 2010-11 General Fund budget assuming approximately \$100 million from the state (out of a total General Fund budget of \$176 million), but the shortfall resulted in us only receiving approximately \$91.7 million. That meant we had to cut an additional \$8.3 million out of our General Fund.

Reductions this year were managed by reducing six calendar days, transferring money from reserves, increasing the staffing ratio to 29:1, reducing classified positions, increasing the fees for activities and athletics, and so on.

2011-12 (-\$18.9 million, including 5 reduced days)

Now in the depths of the recession, at least from a community impact standpoint, the District was faced with another huge reduction year. Several district-level meetings were held, as were meetings at every school for both staff and parents, to gather as many ideas and as much input as possible from staff, parents, and other community members about how we could best accomplish the reductions without materially harming students.

In the end, approximately \$19 million was “saved” by reducing five calendar days, negotiating with employee unions to forego step increases, offering an early retirement incentive, decreasing stipends, eliminating elementary and middle school dean positions, reducing classified calendars and hours, reducing district-level staff and administrators, transferring money from reserve accounts, and reducing department budgets, among other measures.

2012-13 (-\$8.15 million, +\$852,000, including 5 reduced days)

In early February 2012, all eyes were on the state’s March revenue forecast (released February 8) and the first even-year session of the Legislature for clues about the state of the budget. The revenue forecast was down \$35.1 million, which brought the total shortfall since the close of the regular legislative session in 2011 to \$341.1 million. Since \$460 million had been set aside by the state to absorb those shortfalls, the Legislature determined no further reductions to K-12 budgets were required for the 2012-13 school year, so long as the next five revenue forecasts of the biennium didn’t exceed the \$460 million cushion.

Therefore, the District estimated its shortfall at \$8.15 million and set to work identifying how the reductions would be absorbed. Once again, we had great cooperation from our employee unions, which allowed us to delay step movement and reduce five days from the calendar. To fill the rest of the gap, there were additional administrative staff reductions, a 10% reduction to department budgets, and an increase in the staffing ratio from 29:1 to 30.6:1.

Just one day after the Board officially adopted the 2012-13 budget, the District received word of an additional disbursement of \$852,000 as a result of: 1) additional allowances for the number of students above the 11% cap receiving special education services; 2) additional allowances for students in Foster and Neglected Delinquent Care; and 3) an addition to the per-student average (average daily membership – weighted, or ADMw) disbursement due to declining enrollment in the state. That money was used to restore ten elementary teaching positions, which brought the average staffing ratio at elementary schools down from 30.6:1 to 29.8:1.

That year was also when the Board requested that staff conduct community polling to assess potential support for a local option levy ask in November 2012. DHM Research Associates placed over 10,000 calls in the span of three days in late May to complete 300 twelve-minute phone surveys of registered voters who closely match the demographics that would be expected to turn out in our area during a presidential election. The poll showed that just 51% of people would vote for a local option levy if the election were held today, while 43% would vote against, and 5% were undecided. The Board decided to table the local option levy ask at that time.

2013-14 (-\$8.576 million, including 5 reduced days + 3 restored days)

On March 8, 2013, the Oregon Department of Education sent out an update on the status of federal-level sequestration. In the update, it cautioned that sequestration cuts of 5% would affect funding for IDEA (special education), Title I (low income), and other programs in the 2013-14 school year if nothing to reverse sequestration took place in Congress.

2013 was also the year when the Legislature attempted to put a number of PERS reforms in place, and in fact counted \$200 million in PERS employer rate reductions in the State School Fund allocation (SB 822; equated to approximately \$3.7 million for HSD).

The District faced reductions of just over \$8.5 million and accomplished them by transferring money from reserves, further reducing discretionary budgets, “other salaries” (subs, extended contract, stipends, etc.), classified and licensed staff, and reducing five calendar days.

On June 6, 2013, however, Washington County Board of Commissioners Chair Andy Duyck and Hillsboro Mayor Jerry Willey held a joint press release at which they indicated their willingness to devote \$10 million of their Gain Share money for the next biennium to Washington County Schools. Hillsboro’s portion of that allocation was approximately \$1.2 million in 2013-14, which allowed the District to restore three of the planned reduction days back to the calendar.

On October 2, 2013, the Oregon Legislature passed a package of bills called the “Grand Bargain,” which included additional PERS reforms and another \$100 million for the State School Fund.

Meanwhile, the Board had decided to put forth a \$25 million general obligation bond to voters to support investments in technology, safety, and maintenance. Despite polling that suggested sufficient support, the measure was defeated in November 2013: 45% yes to 55% no.

2014-15 (+\$6.2 million, including 1 reduced day + 1 restored day)

Thanks primarily to the additional money generated by the Grand Bargain, the District headed into the 2014-15 school year poised to *add* to its budget for the first time in years. At their meeting on June 24, 2014, the Board unanimously adopted the 2014-15 budget, which added \$6.2 million for hiring teachers, providing additional classified support, and adding one instructional day back to the calendar, among several other things. At that same meeting, the Board voted to refinance outstanding bond debt to save taxpayers \$6.5 million in net present value.

Key investments were reducing the staffing ratio at kindergarten to 26:1, at grades 1 & 2 to 28:1, and at grades 3-12 to 29:1; as well as investing in STEM programming and the arts.

One more piece of good news was received in mid-summer, when the District learned it would receive an additional \$728,716 in Gain Share funds, due to a higher-than-expected distribution to the City and County, and their subsequent decision to share half of the additional dollars with Washington County school districts. This allowed the District to add back the last remaining budget reduction day to the calendar.

2015-16 (+\$2.44 million)

2015 brought a new legislative session and a push for the state to invest in K-12 education. Despite the fact that on paper it appeared that K-12 was getting more money than ever, those dollars had not been indexed for inflation, did not take into account how deeply schools had been required to reduce expenditures for the past several years, and did not reflect the fact that K-12's share of the overall state budget was continuing to decline.

As both a planning tool and as an accountability measure, the District attempted to create a five-step reinvestment plan. The five steps were intended to represent five biennia (ten years), allowing the state to make strides each year toward a level of funding that would more closely match our need to fulfill the state's 40-40-20 goal (40% of students complete a four-year degree, 40% complete a two-year degree, 20% receive a high school diploma).

Unfortunately, the K-12 allocation was not at a level that would allow us to make meaningful progress toward step one of the plan; however, thanks to updates to the State School Fund (SSF) estimates for the 2013-14 and 2014-15 school years, and HB 5017 provisions stating that K-12 would receive 40% of additional State General Fund Revenue from the June 2015 forecast (equated to \$105 million), the District was poised to weather out the biennium in a "flat" state—there would be a surplus in year one, and a virtual break-even in year two.

Knowing that our system still had so many needs as a result of years of disinvestment, however, the Board and Budget Committee decided to recommend relatively modest reinvestments in 2015-16, anticipating that these would be in place over both years of the biennium. The total for 2015-16 was just over \$2.44 million: half-time graduation coaches at each high school; full-time instructional coaches at each high school; TAG and advanced options for students; athletics and activities reinvestment; increase in the number of PE and music sections at elementary school; increase in the number of hours and days for classified staff; lower the staffing ratio at middle school; and a one-time set-aside of \$500,000 in the PERS Reserve account. This would leave a shortfall of approximately \$1.8 million at the end of 2016-17, but it was felt that annual adjustments to SSF estimates would bring us back to a break-even state by that time.

2016-17 (-\$2.33 million)

As we budget for the 2016-17 school year, we are feeling the effects of a still-volatile economy. Modifications to the laws around Gain Share mean that the District is no longer receiving "pass-through" money of approximately \$1.2 million per year from the City and County. Also, though the region saw significant growth and districts around us experienced increasing enrollment, Hillsboro's enrollment did not meet projections. Furthermore, a majority of the PERS reforms that were passed in the 2013 session were deemed unconstitutional by the State Supreme Court and were nullified.

A positive is that we were able to secure three-year contracts with both our licensed and classified employee groups, which provides a measure of certainty when budgeting. Negotiated increases through those contracts included an annual cost of living adjustment (COLA) and insurance cap increase (total value equivalent to 3% COLA and \$25/month/year insurance cap increase).

Our efforts to contain costs for 2016-17 included “trueing up” the staffing ratio to align with actual enrollment (loss of 14.42 licensed FTE positions), and reducing district-level department budgets (discretionary) by 2%. We were able to add 2.0 FTE classified custodial positions to reduce the pressure on some of our buildings with half-time night custodians. Net reductions/savings of approximately \$2.33 million.

2017-18 (-\$7,713,000)

The State Legislature met for their full session starting in February 2017. Facing the state was a \$1.6 billion shortfall versus what would have been needed to simply roll costs up from 2016-17.* On the K-12 side, we were also looking at a significant increase to PERS employer rates beginning in the 2017-18 school year (approx. 6%).

We built our budget assuming an \$8.15 billion allocation to K-12 education, which meant making cuts of approximately \$7.5 million. We ultimately had to stick to those cuts - even though the final allocation was \$8.2 billion - because the money was split 50/50 rather than 49/51, which meant higher costs in the second year of the biennium.

To reach our target, we did the following: 1) Used reserves and adjustments: State School Fund adjustments for 2015-16 and 2016-17 - \$1 million; PERS Reserve Fund - \$1 million; Construction Excise Tax to offset Facilities budget - \$1 million; Reduce Ending Fund Balance to 4.5% - \$1 million; and 2) Implemented efficiencies/reductions: Central Office reductions and efficiencies - \$2,258,000; Student Services reductions - \$455,000; Better align staffing to enrollment - \$1 million. Total reductions were \$7,713,000.

Efforts to pass bills around revenue reform and cost containment were not successful in the 2017 session, but will hopefully be addressed again in the 2019 session.

(*The \$1.6 billion shortfall was largely filled by the implementation of a healthcare provider tax, which would not only bring in revenue from the tax, but also federal matching dollars. A successful signature-gathering campaign in the summer/fall of 2017 led to this item’s referral to a special election in January 2018. It was defeated and the tax was initiated as planned.)

2018-19 (-\$3,679,289 + -\$2,000,000)

Relatively flat state revenue projections and this being the second year of the biennium meant there were no changes to the 2017-19 K-12 budget during the 2018 short session. That, coupled with the fact that our student enrollment has fallen short of projections for the last two years and that student enrollment across the state has increased, thereby reducing the amount provided per-student, meant that we were in a reduction mode again for 2018-19.

We estimated our shortfall to be \$3,679,289, which already accounted for the utilization of the last \$1 million in our PERS Reserve Fund and the further reduction of our Ending Fund Balance to 4% after the 2018-19 school year. We proposed managing the shortfall in the following ways:

- Use Construction Excise Tax funds to pay principal and interest on our administration center - \$530,000
- Pay for certain technology and equipment expenses out of bond funds - \$700,000
- Reduce roll-up cost estimates for staffing, salaries, and benefits reductions - \$2,449,289

In early 2019, it became clear that the reductions heading into the school year hadn't gone far enough, based on our declining enrollment and changing student demographics. So we implemented mid-year spending reductions to affect an additional \$2 million in savings.

2019-20 (-\$9,612,175 + \$480,000 + -\$1.5 million)

The 2019 Legislative Session was one the education community was extremely excited about. With a democratic supermajority in the House and Senate, the opportunity for a generational fix for education funding was within reach. Indeed, the Legislature passed the Student Success Act - a piece of legislation designed to generate \$2 billion each biennium through a corporate activities tax (CAT) - to provide the funds to lower class sizes, support students' mental health needs, offer extended learning opportunities and enriched educational experiences, and fully fund Measure 98 - the career-technical education, graduation attainment, and dropout prevention measure passed overwhelmingly by voters in 2016.

But the Legislature also allocated what was for many large districts, including HSD, an insufficient amount to the State School Fund (SSF). At the time we needed to present a budget proposal to our budget committee, the statewide K-12 budget was thought to be \$8.972 billion; therefore, we planned for reductions of \$9.6 million from our 2019-20 to cover our shortfall for the biennium. However, on June 4, 2019, the Governor signed a budget that increased K-12 funding to \$9.0 billion. The additional \$28 million statewide translated to approximately \$480,000 for HSD. Rather than allocate those funds, we opted to use the funds to ensure high school student success coaches remained whole, address class size hot spots, and meet other student support needs.

By winter, it was clear that decreasing enrollment and an increase to the cost of utilities beyond historical averages had caused an additional shortfall in the current year of approximately \$1.5 million. That shortfall was managed by restricting discretionary spending and utilizing other funding to cover general fund expenses, where possible.

2020-21 (-\$4.6M, +\$3M (cost savings), +\$5.25M (SIA), - ~\$4M (increased operational expenses, + \$4M COVID relief funds)

Heading into the 2020-21 school year, we anticipated a shortfall of approximately \$4.6 million. We intended to absorb that shortfall by funding eligible expenses with a portion of the \$16.5 million in Student Success Act/Student Investment Account (SSA/SIA) dollars we expected to receive. As the spring wore on, however, there was increasing uncertainty over the impact COVID-19 would have on our funding situation, including the availability of SIA dollars, so HSD implemented three cost-saving measures in late spring 2020:

1. Spending freeze
2. Hiring freeze
3. Participation in Work Share program for all employees from May 15, 2020, through July 24, 2020, in which employees were furloughed one to two days per week, rather than being laid off. Employees received their regular pay for the days they worked and Work Share unemployment pay for the furlough days. Employees also received \$600 per week from the federal CARES Act.

These measures saved the District approximately \$3 million that was then available for operational expenses in 2020-21.

HSD also staffed schools at a three percent reduction in anticipation of enrollment loss due to extended school closures and the Comprehensive Distance Learning (CDL) model. (2020-21 enrollment is down approximately 1,000 students from the 2019-20 school year.)

During CDL, a concerted effort was made to keep staff safely working by repurposing some to support students and some to work on maintenance projects, and continuing to utilize the Work Share program for select employees.

Areas of savings during CDL include transportation, utilities (from lack of evening events), and substitutes. Areas of excessive costs include technology (hardware, licensing, training, and support), access to the internet, and meal delivery services.

The state was ultimately able to deliver \$150 million in SIA funds to school districts, which meant HSD received approximately \$5.25 million to help support eligible expenses in the categories of instructional time, student health and safety, reducing class size, and well-rounded education.

It is anticipated that HSD will end the year with a balanced budget. Partners such as Washington County and the Hillsboro Schools Foundation brought additional support for students and their families during the public health emergency. The District will also have access to additional COVID-19 relief funds that can be spent over the next biennium; funding will be used to address long-term recovery from the pandemic that will benefit the greatest number of students with the highest levels of need.

GLOSSARY OF TERMS AND ACRONYMS

ACCRUAL BASIS

The basis of accounting under which transactions are recognized when they occur regardless of the timing of related cash flows.

ADM_w

Average daily membership, weighted for additional student characteristics

ADOPTED BUDGET

Financial plan adopted by the governing body for the fiscal year or budget period that is the basis for appropriations (ORS 294.456).

APPROPRIATION

A legal authorization to make expenditures and incur obligations for specific purposes. Total appropriations include the adopted budget and any supplemental budget(s). The legal appropriation is the amount authorized by the board (ORS 294.311(3)).

APPROVED BUDGET

The budget that has been approved by the budget committee.

ARO_I

Academic Return on Investment

ASBO

Association of School Business Officials International

ASSESSED VALUE (AV)

The value placed on real and personal property as a basis for imposing taxes. It is the lesser of the property's maximum assessed value or real market value.

AVERAGE DAILY MEMBERSHIP (ADM)

The year-to-date average of daily student enrollment.

AVID

Advancement Via Individual Determination

BALANCED BUDGET

Projected resources equal projected requirements within each fund.

BALLOT MEASURE 98 (HSS)

High School Success is a fund initiated by ballot Measure 98 in November 2016 to aid in increasing graduation rates and ensuring high school graduates are ready for their next step. The measure passed with 65% voter support and allowed the Oregon Department of Education (ODE) to disperse funds during the 2017-19 biennium among districts and charter schools that serve students in grade 9 through grade 12. All areas of eligibility must be fully in place by the end of the 2020-21 school year.

BASIS OF ACCOUNTING

Methodology and timing of when revenues and expenditures or expenses are recognized and reported in the financial statements.

BOARD OF EDUCATION

Seven member elected board, created according to state law and vested with responsibilities for educational activities in a given geographical area, who establishes policy, hires a superintendent and governs the operations of the district.

BOND

A written promise, general under seal, to pay a specific sum of money, called the face value, at a fixed time in the future, called the date of maturity and carrying interest at a fixed rate, usually payable periodically. The difference between a note and a bond is that the latter usually runs for a longer period and requires greater legal formality.

BUDGET COMMITTEE

A statutorily (ORS 294.414) defined committee composed of the School Board and an equal number of citizen members appointed by the Board. The committee is responsible for reviewing the budget as proposed, recommending changes and approving the final budget presented to the School Board for adoption.

BUDGET DOCUMENT

Written report showing the school district's comprehensive financial plan for one fiscal year. It must include a balanced statement of actual revenues and expenditures for each of the last two budgets and estimated revenues and expenditures for the current and upcoming budget.

BUDGET MESSAGE

Written explanation of the budget and the school district's financial priorities. The Superintendent of the school district prepares and presents the message.

BUDGET

A plan of financial operation embodying an estimate of proposed expenditures for a given period or purpose and the purposed means of financing them.

CAFR

Comprehensive Annual Financial Report

CAPITAL OUTLAY

Items which have a useful life of one or more years and exceed a dollar threshold established by the district, such as land, buildings, furniture, and equipment.

CAPITAL CONSTRUCTION FUND

Accounts for resources, usually bond sale proceeds, used for activities related to the purchase or construction of major capital assets.

CARES ACT

Coronavirus Aid, Relief and Economic Security Act

CASH BASIS

System of accounting under which revenues are accounted for only when received in cash, and expenditures are accounted for only when paid.

CCR

College & Career Readiness

CET

Construction Excise Tax

CIP

Construction in Progress

CONTINGENCY

An estimate in an operating fund for unforeseen spending that may become necessary.

COST CENTER

An administrative subdivision of the school district, which is charged with carrying on one or more specific purposes such as a school, department or special program.

COVID

A mild to severe respiratory illness caused by a coronavirus first identified in Wuhan, China in December 2019. In 2020, the virus was declared a global pandemic.

CTE

Career and Technical Education

CURRENT BUDGET PERIOD

The budget period currently in progress.

CURRENT SERVICE LEVEL (CSL)

Determined by the Confederation of School Administrators and the Oregon Association of School Business Officials.

DAS

Distributed Antenna System

DEBT SERVICE FUND

A fund established to account for payment of general long-term debt principal and interest.

DISTRICT STRATEGIC PLAN

Articulates the District's mission, goals, and focus areas as it strives to increase the achievement of all students.

DMGroup

District Management Group is an independent consultant that helps school district leaders combine the most effective educational best practices with proven management techniques to bring about measurable, sustainable improvements in student outcomes. The District works with DMGroup on AROI.

EL

English Learner

ELA

English Language Arts

ELL

English Language Learner

ELPA

English Language Proficiency Assessment for the 21st Century

ENCUMBRANCE

An obligation chargeable to an appropriation and for which part of the appropriation is reserved.

ES

Elementary School

ESD

Education Service District

ESSA

Every Student Succeeds Act

ESSER

Elementary and Secondary School Emergency Relief Fund

EVERY STUDENT SUCCEEDS ACT (ESSA)

Federal law governing the United States K-12 public education policy. Like the No Child Left Behind Act, ESSA is a reauthorization of the 1965 Elementary and Secondary Education Act, which established the federal government's expanded role in public education.

EXPENDITURES

Total amount incurred if accounts are on an accrual basis; total amount paid if accounts are on a cash basis.

FEMA

Federal Emergency Management Agency

FFCO

Full Faith & Credit Obligation

FFE

Furniture, Fixtures, and Equipment

FISCAL YEAR

A 12-month period from July 1 through June 30 to which the annual operating budget applies.

FULL TIME EQUIVALENT (FTE)

The term used to note the percentage of the job employed based on one full time employee being the norm. One FTE is one employee 100% of the time for the entire year. (0.5) FTE is one employee working one-half of the day in that position.

FUNCTION

A group of related activities aimed at accomplishing a major service or regulatory program for which a government is responsible.

FUND BALANCE

The excess of assets of a fund over its liabilities and reserves. During the fiscal year prior to closing, it represents the excess of the fund's assets and estimated revenues for the period over its liabilities, reserves & appropriations for the period.

FUND TYPE

Any one of seven categories into which all funds are classified in governmental accounting. The seven fund types are: general, special revenue, debt service, capital projects, enterprise, internal service, and trust and agency.

FUND

A fiscal and accounting entity with self-balancing accounts to record cash and other financial resources, related liabilities, balances and changes, all segregated for specific, regulated activities and objectives.

FYE

Fiscal Year End

GAAP

Generally Accepted Accounting Principles

GASB

Governmental Accounting Standards Board

GEER

Governor's Emergency Education Relief Fund

GENERAL FUND

A fund used to account for most operating activities, except those activities required to be accounted for in another fund.

GFOA

Government Finance Officers Association

GO

General Obligation Bond

GOVERNING BODY

County court, board of commissioners, city council, school board, board of trustees, board of directors, or other managing board of a local government unit.

GRANT

A donation or contribution in cash which may be made to support a specified purpose or function, or general purpose.

HB

House Bill

HB 3427

House Bill that established the SSA and allocated funding to education purposed including the SIA.

HSD

Hillsboro School District

IASA

Improving America's Schools Act

IDEIA

Individuals with Disabilities Education Improvement Act

IEP

Individualized Education Program

INSTRUCTION

The activities dealing directly with the teaching of students or improving the quality of teaching.

INTERNAL SERVICE FUND

PERS Reserve available for transfers to offset increasing pension costs in the General Fund

LEVY

Amount or rate of ad valorem tax certified by a local government for the support of governmental activities.

LIABILITIES

Debt or other legal obligation arising from transactions in the past which must be liquidated, renewed, or refunded at a future date; does not include encumbrances.

LSS

Limited Student Support

MEASURE 5 CONSTITUTIONAL LIMITS

The maximum amount of tax on property that can be collected from an individual property in each category of limitation.

NWRES

Northwest Regional Education Service District

OBJECT CLASSIFICATION

A grouping of expenditures, such as personal services, materials and services, capital outlay, debt services, and other types of requirements.

OCNC

Oregon Child Nutrition Coalition

ODE

Oregon Department of Education

ORS

Oregon Revised Statutes. Oregon laws established by the legislature.

PD

Professional Development

PERMANENT TAX RATE LIMIT

The maximum rate of ad valorem property taxes that a local government can impose. Taxes generated from the permanent rate limit can be used for any purpose. No action of the local government can increase a permanent rate limit once it is established.

PERS

Public Employees Retirement System

PROGRAM

A group of related activities to accomplish a major service or function for which the local government is responsible.

PROPERTY TAXES

Ad valorem tax certified to the county assessor by a local government unit.

PROPOSED BUDGET

Financial and operating plan prepared by the budget officer. It is submitted to the public and the budget committee for review.

PURCHASED SERVICES

Includes such items as conference fees, mileage paid, consultant fees, fees of subcontractors, utilities including electricity, telephone, water, refuse and gas, liability, property and fleet insurance.

REQUIREMENT

The sum of all appropriated and unappropriated items in a fund. Total requirements must always equal total resources in a fund.

RESERVE FUND

Established to accumulate money over time for a specific purpose, such as purchase of new equipment.

RESOLUTION

A formal order of a governing body.

RESOURCE

Estimated beginning funds on hand plus anticipated receipts.

RMV

Real market property value

S3

Smarter School Spending

SB

Senate Bill

SB 1049

Senate Bill effective in 2020 redirecting a portion of PERS employee contributions to an employee pension stability account.

SIA

Student Investment Account, the account by which the State of Oregon has divided approximately 50% of the resources of the Student Success Act

SLC

Structured Learning Center

SLP

Speech Language Pathologist

SPECIAL REVENUE FUND

A fund used to account for proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are restricted to expenditure for specific purposes.

SPED

Special Education

SSA

Student Success Act

SSF

State School Fund

STEAM

Science, Technology, Engineering, Arts and Mathematics

STEM

Science, Technology, Engineering and Mathematics

SUPPLEMENTAL BUDGET

A financial plan prepared after the regular budget has been adopted to meet unexpected needs or to spend revenues not anticipated when the budget was originally adopted.

TAG

Talented and Gifted

TOSA

Teacher on Special Assignment

TRANSFERS

Amounts moved from one fund to finance activities in another fund. They are shown as expenditures in the originating fund and revenues in the receiving fund.

UAL

Unfunded Actuarial Liability

UNAPPROPRIATED ENDING FUND BALANCE

Amount set aside in the budget to be used as a cash carryover to the next fiscal year or budget period. It provides the local government with cash until tax money is received from the county treasurer in November. This amount cannot be transferred by resolution or used through a supplemental budget, unless necessitated by a qualifying emergency.

