

Adopted Budget

For Fiscal Year 2018-19



Hillsboro School District 1J

Administration Center

3083 NE 49th Place

Hillsboro, OR 97124

www.hsd.k12.or.us





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** Budget hearing minutes are on pages 71-74*

April 24, 2018

Dear Hillsboro School District Budget Committee Members and Patrons:

In accordance with ORS 294.391, I am submitting to you the Hillsboro School District IJ proposed 2018-19 budget.

Last year, when I presented the 2017-18 proposed budget, the State Legislature had not yet finalized its K-12 funding allocation for the 2017-19 biennium. We elected to move forward with an assumed allocation of \$8.15 billion, which meant reductions in the Hillsboro School District of approximately \$7.5 million.

At that time, hope was being held out for the possibility of a higher allocation to K-12, made possible by compromises around revenue reform and cost containment at the state level. Unfortunately, the bills representing those compromises were not successful; however, the final biennial allocation to K-12 education was \$8.2 billion.

Even though the allocation was \$50 million more than the amount that HSD's budget was built upon, we were unable to lessen the impact of reductions because there was a 50/50 split of funds over the biennium - as opposed to the typical 49/51 split - and we need the additional funds to help cover anticipated shortfalls in the 2018-19 school year.

Because state revenue projections have been relatively flat, and we are heading into the second year of the biennium, there were no changes to the 2017-19 K-12 budget during the 2018 short session. Furthermore, our student enrollment has fallen short of projections for the last two years, while student enrollment across the state has increased, thereby reducing the amount of state funding that we receive for each student.

As a result of these factors, we are, once again, in a reduction mode for the 2018-19 school year.

We estimate our shortfall to be \$3,679,289, which already accounts for the utilization of the last \$1 million in our PERS Reserve Fund and the further reduction of our Ending Fund Balance to 4 percent after the 2018-19 school year.

We propose managing the shortfall in two primary ways:

Leveraging other funds:

- 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:

- Staffing, salaries, and benefits reductions - **\$2,449,289**

Because we are in the process of bargaining with both of our employee groups, Hillsboro Education Association (HEA, licensed staff) and Hillsboro Classified United (HCU, classified staff), we have built some assumptions and variables into our estimated shortfall. Depending upon the agreements made with our employee groups, our shortfall may increase or decrease. Our goal in this process, as always, is to provide a fair total compensation package to staff while being good stewards of the public's money and delivering the best possible education to our students.

Over the course of this school year, we continued in our Smarter School Spending (S3) process and looked deeply at all areas of our system for opportunities to operate more efficiently. This work has changed the way our central office administrators think about and analyze their current or proposed efforts, and it will continue to be an important element in these processes.

This year, for the first time, we are including a Strategic Financial Plan in our budget document. The Strategic Financial Plan outlines our approach to resource management and helps us identify what is required to remain focused on investments that increase student achievement. The plan is included on pages 5-10 of the Proposed Budget.

A couple of bright spots in our funding situation center around career and college pathways and our capital construction bond.

In the 2017-18 school year, the District received \$2.9 million through Measure 98 - the High School Graduation and College and Career Readiness Act of 2016. This money funded student support and wellness counselors and an additional graduation coach at each high school, allowed us to run an 8.5 summer bridge program for students entering ninth grade who could benefit from extra support, and bought planning time for the expansion of career and technical education (CTE) programming at each high school. We will receive \$3 million in the 2018-19 school year to continue this work and to support actual program expansion.

In December 2017, we also learned that we had been awarded \$434,000 in CTE Revitalization Grants from the Oregon Department of Education to support a major expansion of the

Bioscience Technologies program at Hilhi (\$343,100) and to create a CTE Innovation Summer Camp for Latino and other historically underserved middle school students (\$90,900).

Additionally, our \$408 million capital construction bond, approved by voters in November 2017, includes \$14 million for the expansion of CTE programs at our high schools over the next five years.

Together, all of these funds will allow us to increase CTE opportunities for students.

As we head toward the fall and into the 2019 Legislative Session, we will again turn our focus to advocating for stable and adequate funding for education. With our PERS Reserve Fund now depleted, our Ending Fund Balance at 4 percent, and costs continuing to escalate each year, we know we are in need of a significant allocation increase at the state level. This allocation should not only take into account regular roll-up costs and PERS employer rate increases, but should also reflect our values around education. If we are truly committed to doing what is best for all of our students and helping them achieve at high levels, our investment needs to match our expectations.

As always, I truly appreciate the hard work of our students and staff, and the support of our parents and community partners. Please continue to stay informed and engaged in the year to come.

Respectfully submitted,



Mike Scott
Superintendent

ORGANIZATION OVERVIEW

THE DISTRICT

Hillsboro School District, a unified school district, is the fourth largest of 197 districts in Oregon, enrolling approximately 3.6 percent of the total k-12 student population, and projecting to serve approximately 20,211 students during the 2018-19 school year. Hillsboro School District comprises 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.

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 establishes policy based on Oregon and federal laws governing schools. 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:



Position 1

Erika Lopez
July 2017 -
June 2021

Position 2

Mark Watson
July 2017 -
June 2021

Position 3

Martin Granum
July 2017 -
June 2021

Position 4

Kim Strelchun
July 2011 -
June 2019

Position 5

Lisa Allen
July 2015 -
June 2019

Position 6

Jaci Spross
July 2017 -
June 2021

Position 7

Yadira Martinez
February 2018 -
June 2019

BUDGET COMMITTEE

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:

Name	Designation Position	Expiration
Erika Lopez	School Board, Position 1	2021
Mark Watson	School Board, Position 2	2021
Martin Granum	School Board, Position 3	2021
Kim Strelchun	School Board, Position 4	2019
Lisa Allen	School Board, Position 5	2019
Jaci Spross	School Board, Position 6	2021
Yadira Martinez	School Board, Position 7	2019
Christopher Clark	Community, Position 1	2020
Michael Smith	Community, Position 2	2020
Nina Carlson	Community, Position 3	2018
Elizabeth Christensen	Community, Position 4	2018
Heather Monaghan	Community, Position 5	2019
Alexander Diaz	Community, Position 6	2019
Matthew Long	Community, Position 7	2019

SUPERINTENDENT

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.

CHIEF FINANCIAL OFFICER

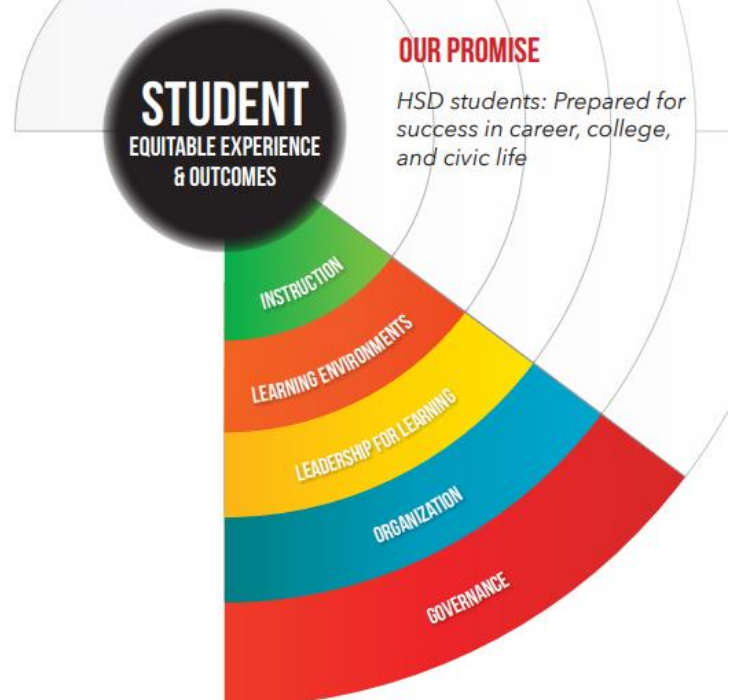
Chief Financial Officer Michelle Morrison is accountable to the Board and administration for all financial operations.

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.

2016-2021 STRATEGIC PLAN



In the 2016-2021 Strategic Plan, you will find the following:

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

The Strategic Financial Plan and Smarter School Spending

The Hillsboro School District joined the Alliance for Excellence in School Budgeting in November, 2016. The alliance consists of school districts across the nation that participate 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.

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 five-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 well as the District activities that are under way to move this work forward.

Smarter School Spending	Action	Timeline
Plan and Prepare	Budget Development Cycle	Annual
Identify Priorities	Strategic Plan Components	5 years with annual targets
Pay for Priorities	- Apply Academic Return on Investment - Implement Cost Analysis Action Plan - Identify/allocate resources in alignment with Strategic Plan	- Continually - Ongoing with annual updates - Annual
Implement Plan	- Central- and Building-Level Staffing - Discretionary Budget Allocation	- Annual - Annual
Ensure Sustainability	Cost Savings Analysis	Conduct in Year 1 of the Strategic Plan



Plan and Prepare


 Set Instructional
Priorities


Pay for Priorities



Implement Plan



Ensure Stability

Aligning Resources with Strategic Plan Goals

SMART GOAL	RESEARCH	DATA	INPUT
COMMUNITY Goal 1: By Spring 2018, our student information system and data warehouse will allow us to identify who is known by name, strength, and need. Status: In progress	Early Warning Systems Project , NWREL AdvancED Standards for Quality Schools Indicator 3.9 ; Bicultural Parent Engagement: Advocacy and Empowerment, Edward M. Olivos, et. al.	9th grade on-track data 2017-2018; GPA, attendance of students connected to an adult advocate; SPED/SST data Success rate for e.g. Chicas, BBBS Improved data systems and fields	Needs assessment AdvancED Accreditation Student narratives Parent Advisory Committee (PAC)
COMMUNITY Goal 2: By Spring 2018, increase by 10% the number of students participating in career-related internships. Status: In progress	Oregon Department of Education CTE data Hillsboro School District CTE data Collective Impact Model, www.fsg.org The Career Pathways Effect, CORD and NASDCTEc	# of students in internships # of dual credits earned # of community partnerships Grad rates for CTE participators v. all Post-secondary enrollment and perseverance	Hillsboro Chamber City of Hillsboro, Cornelius, North Plains Career & College Pathways Steering Committee Higher education partners High school Site Councils
CULTURE Goal 1: By Fall 2017, offer wellness centers at 13 elementary schools, 1 middle school, and 1 high school. Status: Met	CDC-Kaiser Permanente ACES Study <i>Lost At School: Why our kids with behavior challenges are falling through the cracks and how we can help them</i> , Ross Greene National Survey of Children's Health <i>Fostering Resilient Learners</i> , Kristin Souers and Pete Hall <i>Strong Start - Grades K-2: A social and emotional learning curriculum</i> , Merrell et. al.	Facilities and staffing for wellness centers Attendance of staff and students Referrals decreased Health room visits decreased Requests for suicide screens and one-on-one assistants decreased	Student interviews Parent committee feedback Feedback from counselors, care coordinators, family liaisons, and school staff Consultants: Rick Robinson, Vern Jones

SMART GOAL	RESEARCH	DATA	INPUT
CULTURE Goal 2: From 2016-17 to 2017-2018, we will see a 5% increase in the number of ELs on track in 9th grade, i.e. achieving at least 6 credits. Status: In progress	Chicago Public Schools research; Oregon Education Investment Board (OEIB) Achievement Compact <i>Teacher Expectations and Sense of Responsibility for Student Learning</i>	DCA data on credits earned; # of students connecting with case managers, grad coaches, and counselors # of counselors implementing ASCA model; Task analysis data	Parent Advisory Committee (PAC) feedback; Student feedback; LAU Plan
CAREER Goal 1: From 2016-17 to 2017-18 SBAC assessment data, we will see a 3% gain for all students and 5% gain among underserved groups in math. Status: In progress	<i>Mathematical Mindsets</i>, Jo Boaler; Science Teachers' Learning; NCTM Principles to Actions & <i>Taking Action 9-12, 6-8, K-5 guides</i>; <i>5 Practices for Orchestrating Productive Mathematics Conversations</i>; <i>The Art of Coaching</i>; <i>Culturally Responsive Teaching & the Brain</i>; <i>Models of Intervention in Mathematics: Reweaving the Tapestry</i>	Smarter Balanced Assessment (SBAC); K-12 math leader team teacher data; K-6 Interim Assessment data D/F/I semester data; HSD Classroom Walkthrough Tool data regarding DOK and academic language, engagement	Math Leadership Team feedback; Principal feedback; Focus groups of students/parents; Student survey/input Leadership collaboration feedback; Math K-6 PD Structure feedback Secondary Math Teacher feedback; Bridges Edition 2 feedback AIMS Cohort Feedback; PSU Math Learning Ctr.
CAREER Goal 2: From Fall 2017 to Spring 2018, we will see a 5% gain in the number of highly-effective instructional strategies in classrooms. Status: In progress	9 Essential Instructional Strategies, Robert Marzano; <i>Visible Learning</i>, John Hattie "Teaching English Learners: What the research does--and does not--say," Claude Goldenberg Collier & Thomas Research; <i>Academic Conversations</i>, Jeff Zwiers <i>Literacy with an Attitude</i>, Patrick Finn; DOK work of Karen Hess and Norman Webb; AVID research <i>Culturally Responsive Teaching and the Brain</i>, Zaretta Hammond	HSD Walkthrough Tool pre- and post-assessment AVID walkthrough data SLC module implementation data Special education instructional rubric	Teacher Professional Development Feedback Principal Evaluation Feedback Objectives in all PD tied to purpose Engagement, rigor in K-12 PD Modules

Cost-Savings Analysis Action Plan

The goal of the Cost-Savings Analysis was to help the District team identify potential opportunities to reallocate resources to address the District's strategic priorities. The tool was a "quick and simple" assessment of 31 potential opportunity areas. The process encouraged the Smarter School Spending team to consider changes that at first glance may not seem to have high potential, but are in fact 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.

The analysis identified the following areas as having a potential for savings. Some savings opportunities require small changes and/or are immediately practical. Other areas have a larger potential impact and require additional research, verification, and piloting prior to implementation. For those, 2018-19 will be a planning year.

Class size at each level
Serving students with special needs
Use of intervention teachers
Staff absenteeism
Instructional coaching
Central office
Free and reduced meals
Alternative education

Professional development strategies
Paraprofessionals
Special education teachers
Maintenance
Online learning
Title I
Guidance counselors

Other areas reviewed that are currently cost effective in their implementation: transportation; energy; custodial services; food services; instructional technology; speech language therapists; out-of-district special education placements; Medicaid reimbursement; professional development; school-based administrator positions; clerical support positions; and library/media specialist positions. Although the S3 Team will continue to monitor these areas, our initial assessment indicates that the District is in alignment with best practices in terms of efficiency.

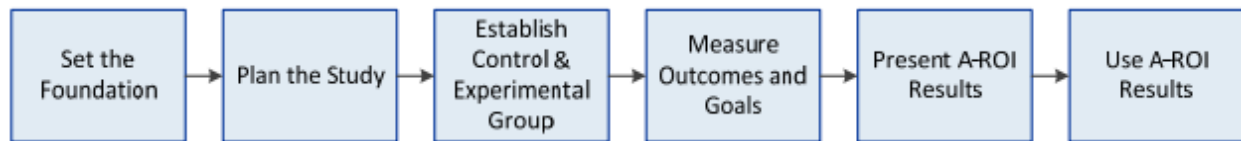
Academic Return on Investment

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 most value from district resources. A-ROI has six conceptual foundations:

1. Reconsider current perception and 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 sunk costs.
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. The lessons are in six categories that represent the stages of progression through A-ROI, as shown in the diagram below.



District Smarter School Spending Team (S3) will complete training in 2017-18 to implement Academic Return on Investment analysis and allocation strategies. Similar to the Cost Analysis exercise, some areas of modification may be simple and others may require additional analysis or transition time. The programs reviewed will be included in future Strategic Financial Plans.

New Program Implementation Process

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 Hillsboro School District have already been successfully implemented in other districts and have data to support their viability. The District has developed other programs using research and best practices to spearhead 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 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 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 the purpose of further study; or 3) move beyond the pilot to full implementation.

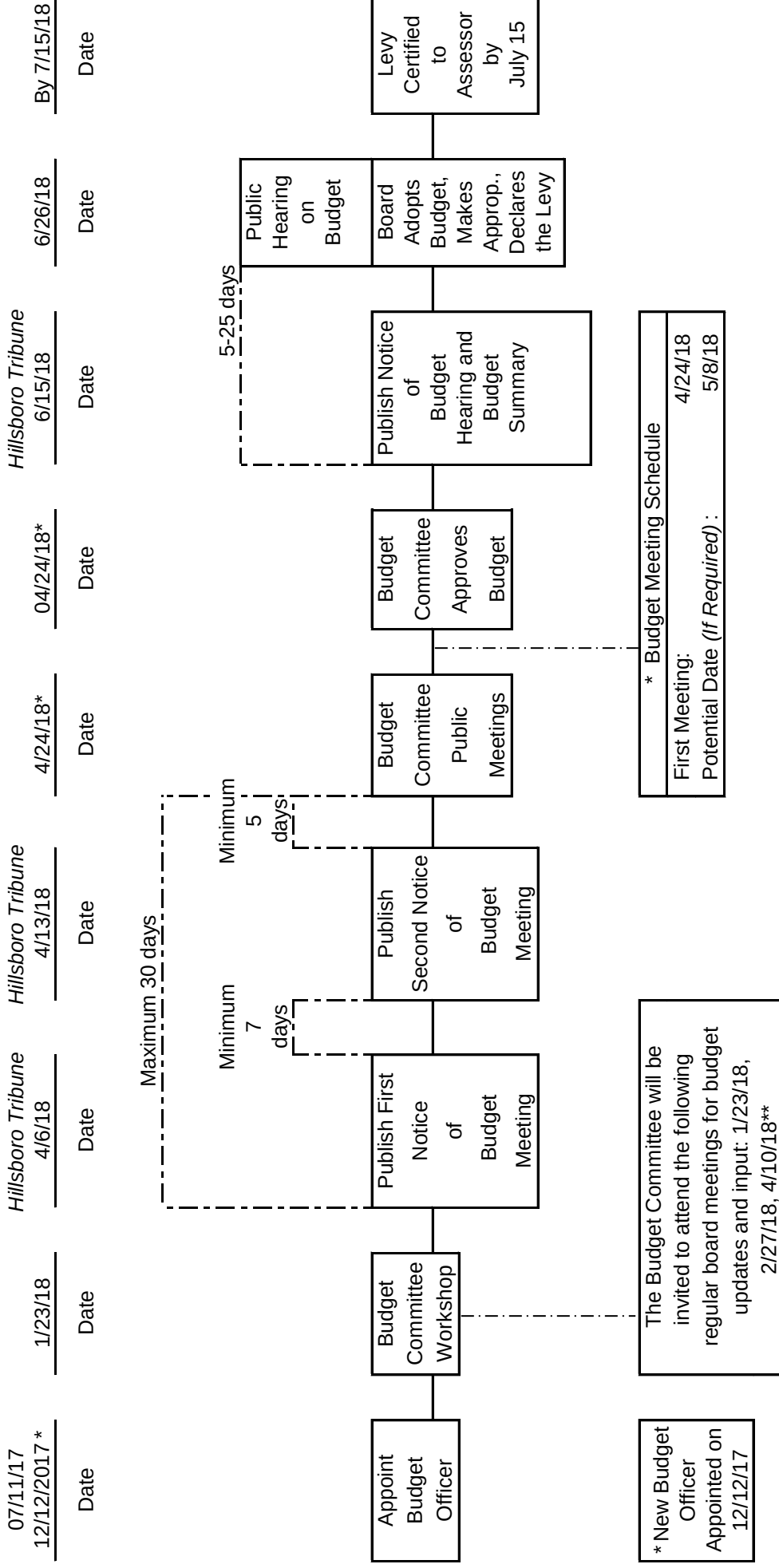
Preference for Measuring Academic Return on Investment

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 for calculating A-ROI for that program.

Special thanks to contributors:

Mike Scott, Superintendent
Travis Reiman, Assistant Superintendent, Office of School Performance
Dayle Spitzer, Assistant Superintendent, Office of School Performance
Beth Graser, Chief Communications Officer
Kona Lew-Williams, Chief Human Resources Officer
Don Wolff, Chief Information Officer
Elaine Fox, Executive Director of Student Services
Rian Petrick, Executive Director of Extracurricular Activities
Nate Roedel, Executive Director of Nutrition Services
Grant Corliss, Executive Director of Schools, Office of School Performance
Audrea Neville, Executive Director of Schools, Office of School Performance
Olga Acuña, Director of Federal Programs
Adam Stewart, Capital Projects Officer
Casey Waletich, Chief Operations Officer
Carol Hatfield, Executive Director of Transportation
Michelle Morrison, Chief Financial Officer

HILLSBORO SCHOOL DISTRICT 1J PLANNING CALENDAR - 2018-19 BUDGET



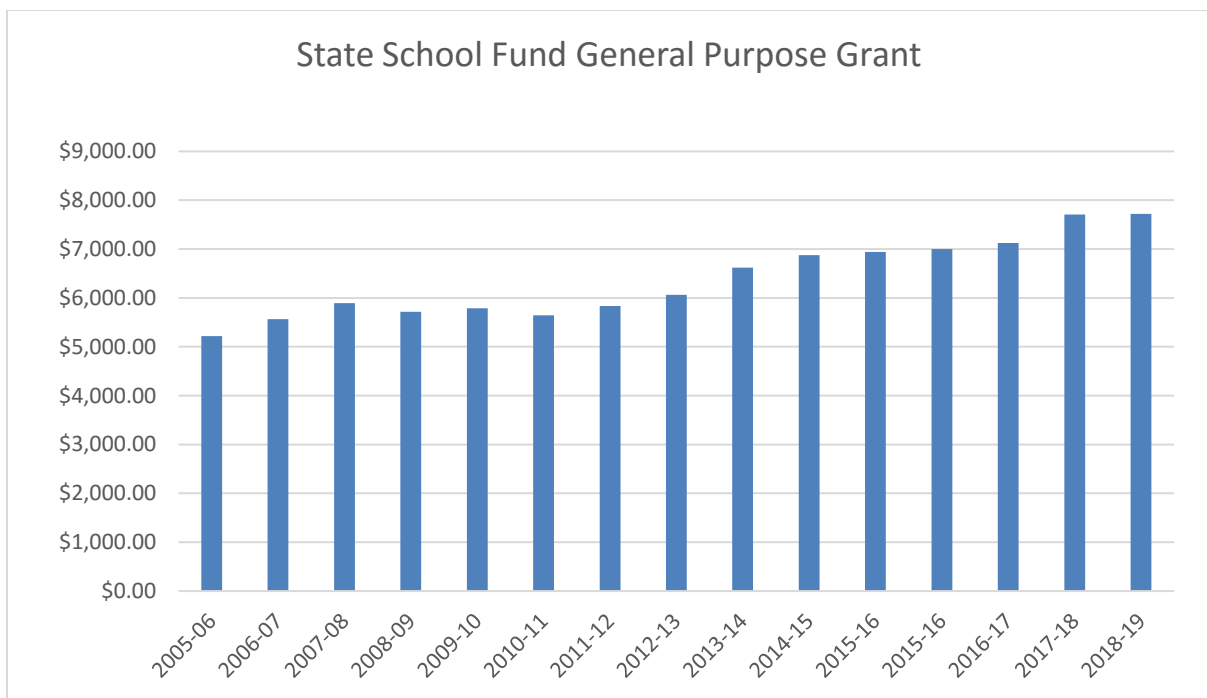
**No new budget information to report at the 3/13/18 Board meeting. Budget update rescheduled from 3/13/18 to 4/10/18.

MANAGEMENT DISCUSSION AND ANALYSIS

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 ADMw (Average Daily Membership weighted) is shown in the chart below.



As one of the few states that does not have a sales tax, the State of Oregon's primary revenue sources are the state income tax and lottery revenues. Therefore, the 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. This effectively kept the state from being able to "save" during the good times in anticipation of economic downturns. During the 2007 legislative session, a bill was passed that allowed the state to create a Rainy Day Fund—a first 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 FTE, 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 a competitive compensation for staff within locally bargained agreements and state and federal regulations.

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 2018-19 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>.

BUDGET ASSUMPTIONS AND SIGNIFICANT CHANGES

The annual budget process comprises five phases: planning, preparation, adoption, implementation, and evaluation. As described in the "Organization" Section, the District is implementing the Smarter School Spending budget development framework.

The budget climate continues to stabilize in the wake of the 2008 recession. With a slow and steady economic recovery, the District is planning carefully for growth, while experiencing a plateau in student enrollment.

At the time of this Adopted Budget, state funding for K-12 education was appropriated at \$8.2 billion for the 2017-2019 biennium. This funding level is appropriated in a non-traditional 50/50 split over two years.

The most significant budget impacts are a result of the following factors:

- The most recent estimates for the State School Fund are based on \$8.2 Billion for the State General Fund with 39 percent dedicated to K-12.
- The Public Employee Retirement System (PERS) rate, based on the 2015 valuation, is increased for the 2017-2019 biennium. These rates, coupled with Debt Service for the 2005 and 2015 Pension Bonds, will result in PERS rates of 25.2 percent for Tier One and Tier Two employees, and 19.87 percent for Oregon Public Service Retirement Plan (OPSRP) employees. The District will exhaust the PERS Reserve Fund of \$1.0 million to offset the increase.
- The Adopted Budget includes salary step movement in accordance with employee group contracts and a limited bargaining contingency.

- Changes in student demographics, and the implementation of instructional strategies designed to increase student achievement.
- New residential construction within the District, historical student population, and residential demographics.
- Program changes due to the work of the Smarter School Spending team in alignment with the District Strategic Plan.

ENROLLMENT GROWTH

Since 2008, student enrollment in the Hillsboro School District has increased by 116 students, with a projected student population of 20,211 for October 1, 2018, compared to 20,095 students in the 2007-08 school year. To handle the population growth, the District has opened eight new elementary schools, one new middle school, and two new high schools, and shifted ninth grade from middle school to high school. In addition, major renovations have been made at three middle schools and one high school. During this time, the District has also decommissioned two elementary schools and one middle school.

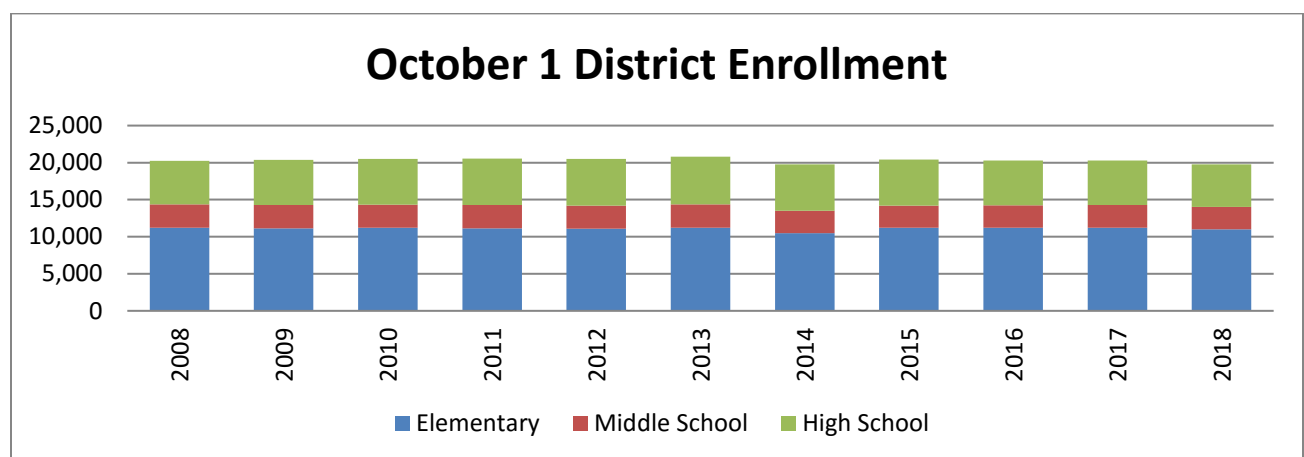
For the 2018-19 school year, the District will operate twenty-five elementary schools, serving Grades K-6; one elementary school, serving grades K-8; four middle schools, serving Grades 7-8; and four high schools, serving Grades 9-12. Hillsboro School District also serves students in one alternative high school, one alternative middle school, one online academy, and one charter school.

In order to have the most complete picture possible for projecting enrollment, the District has developed a triangulated lens for estimating the number of students to serve and is constantly monitoring and adjusting projections based on the most recent information available. Enrollment projections are critical because the State School Fund revenue is generated by a formula based on the number and type of students we serve. Recent residential development trends also rely on accurate projections. The three methods are referenced below.

PSU Population Research Center Report ¹	(2016) This university study is a broad-stroke view of enrollment based on regional data. Portland State University provides information to Districts throughout Oregon.	The most recent report estimates that overall student enrollment will grow by an additional 1,734 students by the 2030-31 school year.
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¹ The PSU Population Research Center report can be viewed on the District's website at [https://www.hsd.k12.or.us/cms/lib/OR02216643/Centricity/domain/1226/documents/2016 PSU-HSD Report District-wide.pdf](https://www.hsd.k12.or.us/cms/lib/OR02216643/Centricity/domain/1226/documents/2016%20PSU-HSD%20Report%20District-wide.pdf)

Davis Demographics Report²	(2016, 2017) 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 some housing projects underway and the District is only beginning to see new students.
Oregon Department of Education³	(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 it is verified prior to use.



AVERAGE ENROLLMENT FOR FISCAL YEAR

Grade Level	October 1 Fiscal Year 2017-18	Projected Fiscal Year 2018-19	Percentage of Change
Elementary School	11,107	11,181	0.67%
Middle School	3,117	3,120	.10%
High School	5,936	5,910	-0.44%
TOTAL	20,160	20,211	0.25%

² Davis Demographics Report: https://www.hsd.k12.or.us/cms/lib/OR02216643/Centricity/domain/103/documents/Revised%20Report%20SY1617_w_SE.pdf

³ Oregon Department of Education: <http://www.oregon.gov/ODE/Pages/default.aspx>

2018-19 BUDGET AT A GLANCE

- The 2018-19 school year is the second year of the 2017-2019 biennium.
- The General Fund operating revenue is anticipated to increase by \$5.3 million, or 2.42 percent.
- The District is bargaining with both licensed and classified employee groups for new agreements. It is not anticipated that the process will finish prior to the proposal, approval, and adoption of the 2018-19 Budget. The budget represents a “status quo” budget appropriation for salary (includes experience movement for staff that qualify) and a modest bargaining contingency.
- Employee insurance cap increases are included in this budget for all employee groups. The 2018-19 District contribution for all eligible staff is budgeted at \$1,150 per month for full-time licensed staff, \$1,175 for full-time classified staff, and is prorated by FTE, per negotiated agreement. Any increases to benefits may be funded by the funding contingency that is available.
- Hillsboro School District’s combined PERS (Public Employee Retirement System) rate, including the debt service payment for the pension bonds, is 25.2 percent of payroll for Tier One and Tier Two employees, and 19.87 percent of payroll for Tier Three employees.

2018-19 BUDGET – ALL FUNDS (In Thousands)

Fund	FY 2017-18	FY 2018-19	Change
General (Operational)	\$218,613,056	\$223,904,035	2.42%
Special Revenue	\$35,568,370	\$40,005,635	11.07%
Debt Service	\$44,556,974	\$46,014,746	3.27%
Construction	\$1,000,200	\$300,601,698	New Bond Revenue
Internal Services	\$2,000,000	\$1,000,000	-50.00%
Total All Funds	\$301,738,600	\$611,526,114	103.34%

SUMMARY

The 2018-19 Adopted Budget for Hillsboro School District is based on the following objectives:

- The top priority is the effective use of resources to improve student achievement.
- To the extent possible, the budget must ensure financial stability through the end of the 2017-2019 biennium and look forward to the next several biennia. The long-range forecast for the State of Oregon shows a slow recovery.
- Resources are in alignment with the 2016-2021 District Strategic Plan. District leadership will undergo training for Academic Return on Investment (A-ROI) and apply this lens as part of the Smarter School Spending budget framework.
- The District will continue to target efficiencies within general operations and support services, with quality instruction as a high priority.
- The District will reduce the ending General Fund balance from 5 percent to 4 percent over the biennium.
- The District will 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 budget reductions to instruction.
- Federal program revenues are based on estimates provided by the Department of Education.

EXTENDED PROJECTION ASSUMPTIONS

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

Revenues

- State School Fund revenue will increase by 10% per biennia (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 align with secondary enrollment and be accounted for as a Special Revenue Fund.
- 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 plus projected impact of new construction.

- 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.
- The District has entered into negotiations with both employee groups. There are internal projections for various cost-of-living adjustments (COLA), full step advancement, and insurance cap increases for all eligible employees.
- PERS payroll rate increases of in the outlying biennia according to the most recent agency issued valuation.
- Debt service is projected by a consolidated schedule based on current obligations.
- Maintain existing staffing levels for classified, administrative, and supervisory/technical employee groups. Licensed staffing will be adjusted according to student enrollment. Class size targets are tiered by grade level: Kindergarten, 26:1; Grades 1-2, 28:1; and Grades 3-12, 29:1.
- There is a five percent annual increase in utility, equipment, and property/liability costs, and a two percent annual increase in supply costs for 2019-20 and beyond.
- Non-consumable supplies for technology, equipment, energy-savings improvements, and certain maintenance services will be paid from Bond Funds if they align with the ballot title.
- The General Fund End balance will be remain at 4.0 percent.

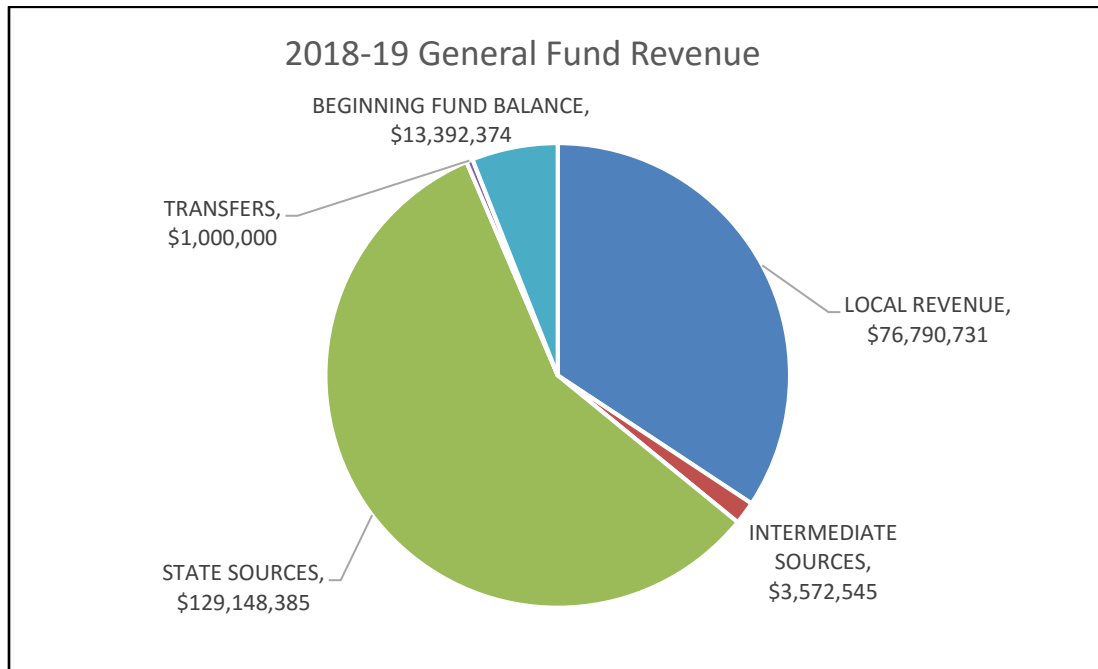


BUDGET GENERAL FUND REVENUE

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 and 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.

2015-16 Actual	2016-17 Actual	2017-18 Adopted	2018-19 Adopted
\$66,280,050	\$68,976,844	\$70,191,955	\$74,333,357

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.

2015-16 Actual	2016-17 Actual	2017-18 Adopted	2018-19 Adopted
\$357,854	\$588,669	\$404,324	\$432,627

Other Local Revenue

Other local revenue consists of fees, building rentals, prior year property taxes, and gate receipts.

2015-16 Actual	2016-17 Actual	2017-18 Adopted	2018-19 Adopted
\$1,510,196	\$1,392,236	\$1,820,860	\$2,024,747

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.

2015-16 Actual	2016-17 Actual	2017-18 Adopted	2018-19 Adopted
\$478,998	\$297,101	\$450,000	\$468,000

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).

2015-16 Actual	2016-17 Actual	2017-18 Adopted	2018-19 Adopted
\$2,915,000	\$3,386,121	\$3,104,545	\$3,104,545

State Sources

State sources make up approximately 59.4 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 \$8.2 billion K-12 allocation for the 2017-19 biennium.

2015-16 Actual	2016-17 Actual	2017-18 Adopted	2018-19 Adopted
\$120,567,483	\$125,998,472	\$130,042,910	\$129,148,385

Other Sources

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

2015-16 Actual	2016-17 Actual	2017-18 Adopted	2018-19 Adopted
\$14,399	\$1,704	\$1,000,000	\$1,000,000

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 2017-18 Beginning Fund balance of \$11,598,462 is 5.3 percent of the total revenues.

2015-16 Actual	2016-17 Actual	2017-18 Adopted	2018-19 Adopted
\$17,604,269	\$14,558,454	\$11,598,462	\$13,392,374

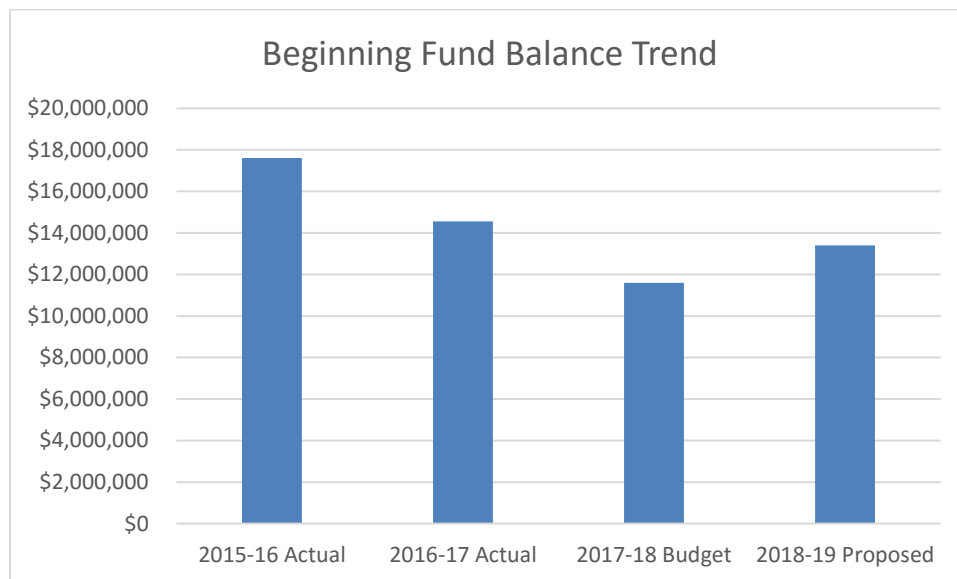
Total Revenue

2015-16 Actual	2016-17 Actual	2017-18 Adopted	2018-19 Adopted
\$209,676,249	\$215,199,641	\$218,613,056	\$223,904,035

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 Beginning Fund Balance target of 4.5 percent for 2018-19. The budget includes \$13,392,374 as the Beginning Fund balance, which is a \$1,793,912 increase over the 2017-18 adopted budget beginning fund balance.



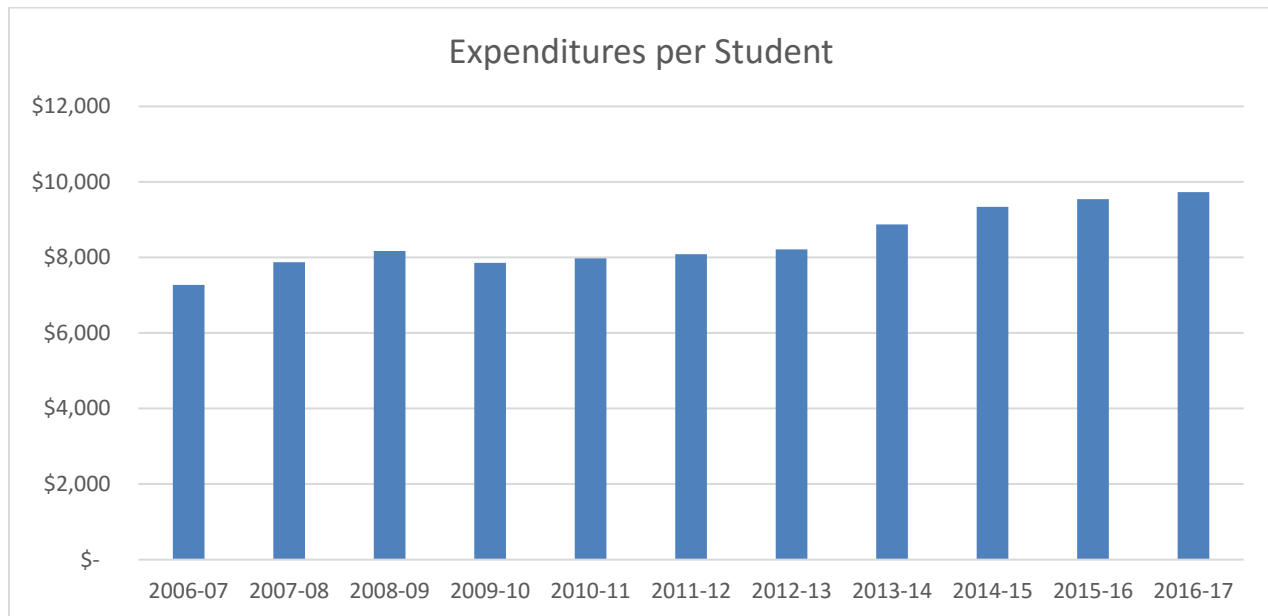
GENERAL FUND REVENUE

ACCOUNT	DESCRIPTION	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED	2018-19 ADOPTED
100.0000.1111	CURRENT YEAR PROPERTY TAX	\$65,546,188	\$68,279,710	\$69,449,368	\$73,561,067
100.0000.1112	PRIOR YEAR PROPERTY TAX	\$681,862	\$697,174	\$742,587	\$772,290
100.0000.1113	COUNTY TAX SALES/BACK TAX	\$0	\$0	\$12,872	\$13,258
100.0000.1114	PAYMENTS IN LIEU OF PR TX	\$12,133	\$4,316	\$16,918	\$17,425
100.0000.1190	PENALTIES & INTEREST ON TAX	\$15,946	\$29,126	\$45,920	\$47,298
100.0000.1312	NON-RESIDENT TUITION	\$43,284	\$0	\$0	\$0
100.0000.1411	TRANSP FEES FROM INDIVID	\$95,741	\$60,392	\$101,572	\$104,619
100.0000.1512	INTEREST ON LGIP	\$357,854	\$588,669	\$404,324	\$432,627
100.0000.1513	INTEREST ON BANK ACCOUNTS	\$272	\$31	\$311	\$333
100.0000.1710	GATE RECEIPTS	\$68,039	\$27,711	\$72,183	\$74,348
100.0000.1742	STUDENT TOWEL FEES	\$1,439	\$92	\$0	\$1,572
100.0000.1744	STUDENT PARTICIPATION FEES	\$360,624	\$198,701	\$382,441	\$392,342
100.0000.1910	RENTAL/BLDG USAGE	\$232,342	\$277,820	\$273,173	\$281,368
100.0000.1920	CONTRIBUTIONS/DONATIONS	\$25,150	\$0	\$0	\$50,000
100.0000.1960	RECOVERY PRIOR YEAR EXP	\$31,606	\$61,244	\$33,531	\$34,537
100.0000.1975	REBATE	26,652	\$29,240	\$28,275	\$129,123
100.0000.1980	FEES CHARGED TO GRANTS	\$455,753	\$582,038	\$747,780	\$770,213
100.0000.1990	MISCELLANEOUS REVENUE	\$26,622	\$28,536	\$28,243	\$29,091
100.0000.1993	REIMBURSE/EXPENSE	\$7,799	\$14,142	\$8,274	\$8,522
100.0000.1995	PRINTING REVENUE	\$41,820	\$57,994	\$44,367	\$45,698
100.0000.1995	TEXTBOOK SALES	\$0	\$519	\$0	\$0
100.0000.1998	REIMBRSM-T-MODIFIED WORKER	\$64,974	\$20,334	\$25,000	\$25,000
TOTAL LOCAL REVENUE		\$68,096,100	\$70,957,789	\$72,417,139	\$76,790,731
100.0000.2101	COUNTY SCHOOL FUND	\$478,998	\$ 297,101	\$450,000	\$468,000
100.0000.2103	ESD PASS THROUGH	\$2,915,000	\$ 3,386,121	\$3,104,545	\$3,104,545
TOTAL INTERMEDIATE SOURCES		\$3,393,998	\$ 3,683,222	\$3,554,545	\$3,572,545
100.0000.3101	STATE SCH FUND	\$107,405,128	\$ 111,804,658	\$116,403,621	\$113,209,524
100.0000.3103	COMMON SCHOOL FUND	\$2,453,497	\$ 2,557,099	\$2,489,289	\$2,588,861
100.0000.3104	STATE TIMBER REVENUE	\$602,458	\$ 685,607	\$650,000	\$650,000
100.0000.3105	SSF TRANSPORTATION	\$10,106,400	\$ 10,860,000	\$10,500,000	\$11,200,000
100.0000.3199	OTHER UNRESTRICTED GRANTS	\$0	\$ 91,108	\$0	\$1,500,000
TOTAL STATE SOURCES		\$120,567,483	\$ 125,998,472	\$130,042,910	\$129,148,385
100.0000.5200		\$0	\$0	\$1,000,000	\$1,000,000
TOTAL TRANSFERS		\$0	\$0	\$1,000,000	\$1,000,000
100.0000.5300		\$0	\$1,704	\$0	\$0
TOTAL COMPENSATION/LOSS ASSETS		\$14,399	\$ 1,704	\$0	\$0
TOTAL BEGINNING FUND BALANCE		\$17,604,269	\$ 14,558,454	\$11,598,462	\$13,392,374
TOTAL REVENUE		\$209,676,250	\$215,199,641	\$218,613,056	\$223,904,035

Note: Immaterial rounding differences may exist between tables.

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 2016-17 fiscal year, the average operational cost of educating a student in the Hillsboro School District was \$9,922. This figure is determined by dividing total General Fund expenditures for 2016-17, \$202,488,567, by our total Average Daily Membership (ADM) of 20,407 ($\$202,488,567 / 20,407 = \$9,922$). The breakdown of the \$9,922 is as follows:

Instruction (\$4,685 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 (\$1,558 per student). Staffing, materials, and supplies for students with disabilities in less restrictive programs, and students with disabilities in restrictive programs.

Student Services (\$533 per student). Staffing and office supplies for attendance, guidance, health services, media services, assessment, testing, and instructional staff development.

Central Services (\$356 per student). Expenditures related to the Board of Directors, Superintendent, Business Office, Print Shop, and Human Resources.

School Administration (\$836 per student). Principals, assistant principals, teachers on special assignment (TOSAs), supplies, materials, purchased administrative services, and support at each campus.

Facilities (\$839 per student). Personnel and supplies for custodial and maintenance services, plus major maintenance projects districtwide.

Transportation (\$717 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 (\$315 per student). Staffing and new technology for classroom instruction.

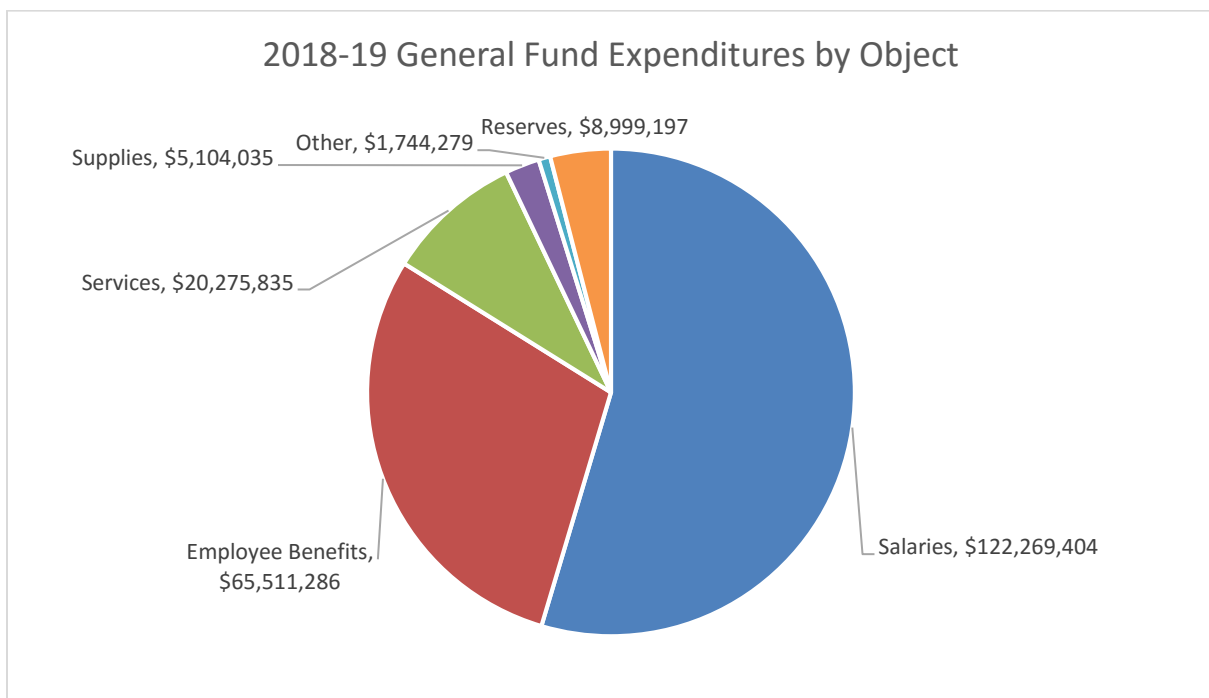
Community Service (\$57 per student). Personnel and supplies used to perform a variety of community services, primarily the Office of Hispanic Outreach.

Debt Service (\$26 per student). Principal and interest payments for the administration building.



GENERAL FUND BUDGET BY OBJECT SUMMARY

Object	Description	2016-17 Actual	2017-18 Adopted	2018-19 Adopted	Increase/Decrease from Prior Year
Salaries	All salaries including negotiated increases.	\$115,325,162	\$118,019,225	\$122,269,404	3.60%
Benefits	Includes associated payroll costs, PERS, health insurance caps, tuition reimbursement	\$56,693,900	\$63,700,820	\$65,511,286	2.84%
Purchased Services	Utilities, printing, charter school payments, contracted services	\$20,321,404	\$19,266,455	\$20,275,835	5.24%
Supplies and Materials	Supplies, textbooks, computer hardware and software, gasoline	\$8,124,951	\$5,494,151	\$5,104,035	-7.10%
Capital Expenditures	New and replacement equipment	\$86,148	\$101,962	\$0	-100.00%
Other	Dues, Fees, and Insurance	\$1,937,003	\$2,189,719	\$1,744,279	-20.34%
Reserves	Planned reserves for next year	\$12,711,074	\$9,840,724	\$8,999,197	-8.55%
Total		\$215,199,641	\$218,613,056	\$223,904,035	2.42%



**GENERAL FUND BY OBJECT**

ACCOUNT	DESCRIPTION	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED	2018-19 ADOPTED	2018-19 FTE
100.0000.0111	REG LICENSED SALARIES	\$65,988,453	\$70,007,073	\$71,381,604	\$73,812,624	1,041.7
100.0000.0112	REG CLASSIFIED SALARIES	\$26,915,135	\$29,464,975	\$31,337,956	\$32,736,256	730.8
100.0000.0113	REG ADMIN SALARIES	\$7,375,071	\$7,906,597	\$7,791,100	\$7,998,916	65.1
100.0000.0114	REG SUPERVISORY SALARIES	\$1,739,279	\$1,896,947	\$2,035,660	\$2,084,516	27.5
100.0000.0116	EARLY RETIREMENT STIPEND	\$30,000	\$24,000	\$0	\$0	0.0
100.0000.0121	SUBSTITUTES-LICENSED	\$1,321,072	\$104,185	\$100,000	\$103,000	0.0
100.0000.0122	SUBSTITUTES-CLASSIFIED	\$614,291	\$60,367	\$75,000	\$77,250	0.0
100.0000.0123	CERTIFIED TEMPORARY WAGE	\$186,901	\$227,977	\$198,284	\$204,232	0.0
100.0000.0124	TEMPORARY-CLASSIFIED	\$2,012,161	\$932,299	\$257,500	\$265,225	0.0
100.0000.0126	SUBSTITUTES-ADMIN	\$43,872	\$84,259	\$46,544	\$47,940	0.0
100.0000.0130	ADDITIONAL SALARIES	\$44,059	\$0	\$46,742	\$48,145	0.0
100.0000.0131	EXTENDED CONTRACT	\$1,307,561	\$16,317	\$1,387,192	\$1,428,808	0.0
100.0000.0132	DEPT COORDINATOR STIPEND	\$665,752	\$1,254,157	\$706,296	\$727,485	0.0
100.0000.0133	ATHLETIC COACHING PAY	\$646,780	\$807,827	\$686,169	\$706,754	0.0
100.0000.0134	ADVISOR PAY	\$185,524	\$657,048	\$196,822	\$202,727	0.0
100.0000.0135	STUDENT SUPERVISION PAY	\$77,320	\$182,016	\$82,029	\$84,489	0.0
100.0000.0136	ATHLETIC/ACTIVITY PAY	\$123,444	\$79,288	\$130,962	\$134,890	0.0
100.0000.0138	EXTRA DUTY STIPEND	\$0	\$135,071	\$0	\$0	0.0
100.0000.0139	OVERTIME SALARIES	\$866,327	\$823,293	\$919,086	\$946,659	0.0
100.0000.0140	OTHER TIME	\$587,189	\$646,182	\$622,949	\$641,638	0.0
100.0000.0144	STUDENT WAGES	\$16,336	\$15,284	\$17,330	\$17,850	0.0
TOTAL SALARIES		\$110,746,526	\$115,325,162	\$118,019,225	\$122,269,404	1,865.1
100.0000.0200	EMPLOYEE BENEFITS	\$0	\$0	\$0	\$0	0.0
100.0000.0211	PERS EMPLOYER CONTRBUTN	\$5,533,951	\$5,133,916	\$9,470,937	\$9,399,229	0.0
100.0000.0212	PERS-EMPLOYEE PICKUP	\$0	\$0	\$0	\$0	0.0
100.0000.0213	PERS UAL BOND 2005	\$7,112,646	\$7,493,136	\$9,819,732	\$10,211,305	0.0
100.0000.0214	PERS UAL BOND 2015	\$2,042,160	\$2,151,313	\$0	\$0	0.0
100.0000.0216	PERS EMPLOYER-TIER III	\$3,636,555	\$4,084,526	\$7,150,810	\$7,690,772	0.0
100.0000.0218	PERS- PRIOR PERIOD REC	-\$275,955	\$159,606	\$0	\$0	0.0
100.0000.0220	SOCIAL SECURITY ADMIN	\$8,395,393	\$8,793,373	\$9,028,471	\$9,353,609	0.0
100.0000.0231	WORKERS' COMPENSATION	\$661,362	\$816,217	\$590,096	\$611,347	0.0
100.0000.0232	UNEMPLOYMENT COMPENSTN	\$109,651	\$115,074	\$118,019	\$122,269	0.0
100.0000.0240	POST EMPLOYMENT BENEFIT	\$138	\$0	\$0	\$0	0.0
100.0000.0241	DISABILITY INSURANCE	\$462,847	\$502,425	\$450,000	\$450,000	0.0
100.0000.0242	MEDICAL INSURANCE	\$20,993,607	\$21,882,267	\$22,022,852	\$22,622,852	0.0
100.0000.0243	LIFE INSURANCE	\$129,931	\$131,223	\$90,000	\$90,000	0.0
100.0000.0244	EMPLOYEE ASSISTANCE	\$26,677	\$22,586	\$0	\$0	0.0



ACCOUNT	DESCRIPTION	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED	2018-19 ADOPTED	2018-19 FTE
100.0000.0245	TRAVEL ALLOWANCE	\$116,147	\$117,125	\$100,000	\$100,000	0.0
100.0000.0246	DENTAL INSURANCE	\$2,649,903	\$2,759,104	\$2,649,903	\$2,649,903	0.0
100.0000.0247	EMPLOYER PROVIDED TSA	\$43,575	\$71,560	\$0	\$0	0.0
100.0000.0248	VISION INSURANCE	\$576,278	\$617,271	\$400,000	\$400,000	0.0
100.0000.0249	TUITION REIMBURSEMENT	\$493,068	\$453,295	\$500,000	\$500,000	0.0
100.0000.0251	ADMIN FLEX BENEFIT	\$1,287,902	\$1,329,900	\$1,250,000	\$1,250,000	0.0
100.0000.0252	DOMESTIC PARTNER TAXABLE	-\$303	-\$3,297	\$0	\$0	0.0
100.0000.0254	COMMUNICATIONS STIPEND	\$63,747	\$62,980	\$50,000	\$50,000	0.0
100.0000.0255	CLASSIFIED PROF IMPR	\$0	\$300	\$10,000	\$10,000	0.0
TOTAL BENEFITS		\$54,059,280	\$56,693,900	\$63,700,820	\$65,511,286	0.0
100.0000.0310	INSTRUCTION SERVICES	\$81,764	\$101,791	\$85,852	\$90,145	0.0
100.0000.0311	INSTRUCTION SERVICES	\$52,214	\$59,267	\$54,824	\$57,566	0.0
100.0000.0312	INSTR PROG IMPROVEMENT	\$52,769	\$104,265	\$55,407	\$58,178	0.0
100.0000.0313	STUDENT SERVICES	\$1,257,276	\$1,485,381	\$1,160,140	\$1,218,147	0.0
100.0000.0318	PROF IMPRV/NON INSTRUCT	\$11,446	\$31,013	\$12,019	\$12,620	0.0
100.0000.0319	OTHER PROF & TECH INSTRNL	\$441,006	\$417,802	\$463,056	\$486,209	0.0
100.0000.0320	PROPERTY SERVICES	\$807	\$10	\$847	\$889	0.0
100.0000.0322	REPAIR & MAINTENANCE	\$1,539,301	\$812,456	\$787,089	\$826,443	0.0
100.0000.0323	LAUNDRY & DRY CLEANING	\$289,904	\$155,184	\$304,400	\$319,620	0.0
100.0000.0324	RENTAL EXPENSE	\$586,817	\$873,641	\$586,817	\$616,158	0.0
100.0000.0325	ELECTRICITY	\$2,902,355	\$2,328,109	\$2,546,312	\$2,673,628	0.0
100.0000.0326	HEATING FUEL	\$640,363	\$704,378	\$783,135	\$822,292	0.0
100.0000.0327	WATER & SEWAGE	\$1,257,576	\$1,305,872	\$1,170,905	\$1,229,450	0.0
100.0000.0328	GARBAGE	\$305,389	\$306,958	\$350,001	\$367,501	0.0
100.0000.0329	OTHER PROPERTY SERVICES	\$245,338	\$240,708	\$257,605	\$270,485	0.0
100.0000.0330	STUDENT TRANSPORTATION	\$1,309	\$570	\$0	\$0	0.0
100.0000.0331	REIMBURSABLE STUDNT TRAN	-\$165,858	-\$113,030	-\$174,151	-\$182,859	0.0
100.0000.0332	NONREIMB STUDENT TRANS	\$132,748	\$121,631	\$139,386	\$146,355	0.0
100.0000.0340	TRAVEL	\$499,657	\$470,995	\$524,639	\$550,871	0.0
100.0000.0342	TRAVEL – IN DISTRICT	\$118	\$986	\$124	\$130	0.0
100.0000.0343	STUDENT OUT OF DIST TRANS	\$5,579	\$7,936	\$5,857	\$6,150	0.0
100.0000.0351	TELEPHONE	\$109,934	\$125,806	\$115,430	\$121,202	0.0
100.0000.0353	POSTAGE	\$163,803	\$108,574	\$171,993	\$180,592	0.0
100.0000.0354	ADVERTISING	\$15,957	\$25,683	\$16,755	\$17,592	0.0
100.0000.0355	PRINTING AND BINDING	\$7,139	-\$12,421	\$7,496	\$7,871	0.0
100.0000.0360	CHARTER SCHOOL PAYMENTS	\$1,195,159	\$1,260,565	\$1,446,142	\$1,590,756	0.0
100.0000.0371	TUITION TO PUBLIC SCHOOLS	\$182,553	\$228,978	\$191,680	\$201,264	0.0
100.0000.0373	TUITION TO PRIVATE SCHOOL	\$39,256	\$44,518	\$41,219	\$43,280	0.0
100.0000.0374	OTHER TUITION PAYMENTS	\$0	\$242,227	\$0	\$0	0.0



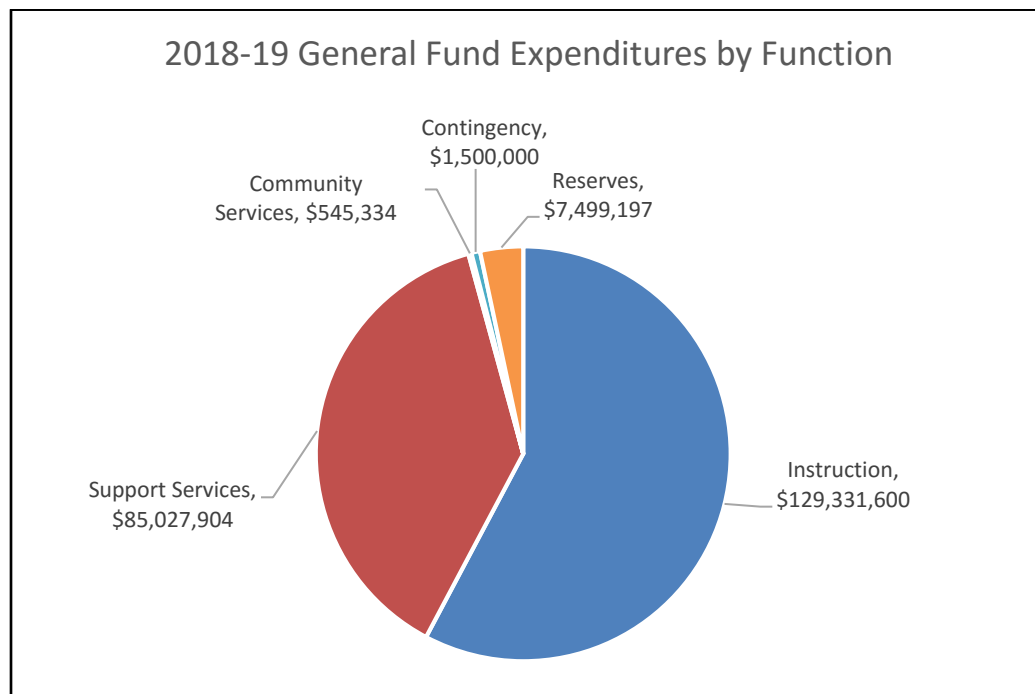
ACCOUNT	DESCRIPTION	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED	2018-19 ADOPTED	2018-19 FTE
100.0000.0380	NON-INSTRUCT PROF SERV	\$218,675	\$219,305	\$229,609	\$241,089	0.0
100.0000.0381	AUDIT SERVICES	\$62,000	\$28,000	\$65,100	\$68,355	0.0
100.0000.0382	LEGAL SERVICES	\$104,554	\$89,531	\$109,782	\$115,271	0.0
100.0000.0383	ARCHITECT/ENGINEER SVCS	\$59,033	\$23,801	\$61,985	\$65,084	0.0
100.0000.0385	MANAGEMENT SERVICES	\$0	\$7,105	\$0	\$0	0.0
100.0000.0388	ELECTION SERVICES	\$0	\$34,525	\$0	\$0	0.0
100.0000.0390	OTHER PROF & TECH SRV	\$3,911,792	-\$2,270,404	\$200,000	\$210,000	0.0
100.0000.0391	SUBSTITUTE – LICENSED	\$1,303,858	\$6,855,759	\$4,770,000	\$5,008,500	0.0
100.0000.0392	BANK SERVICE FEE	\$18,240	\$16,562	\$25,000	\$0	0.0
100.0000.0399	SUBSTITUTE – CLASSIFIED	\$1,347,773	\$3,877,367	\$2,700,000	\$2,835,000	0.0
TOTAL PURCHASED SERVICES		\$18,877,604	\$20,321,404	\$19,266,455	\$20,275,835	0.0
100.0000.0410	SUPPLIES AND MATERIALS	\$3,145,944	\$2,858,040	\$1,720,000	\$1,754,400	0.0
100.0000.0412	CUSTODIAL SUPPLIES	\$466,433	\$466,459	\$575,000	\$586,500	0.0
100.0000.0417	MAINTENANCE SUPPLIES	\$0	\$300,707	\$37,018	\$37,758	0.0
100.0000.0418	GASOLINE AND OIL	\$575,865	\$735,713	\$400,000	\$408,000	0.0
100.0000.0419	TIRES	\$36,292	\$83,307	\$0	\$0	0.0
100.0000.0420	TEXTBOOKS	\$64,791	\$268,372	\$31,448	\$32,077	0.0
100.0000.0430	LIBRARY BOOKS	\$30,832	\$24,068	\$31,675	\$32,309	0.0
100.0000.0440	PERIODICAL SUBSCRIPTIONS	\$31,785	\$40,157	\$0	\$0	0.0
100.0000.0450	FOOD	\$0	\$415	\$0	\$0	0.0
100.0000.0460	NON-CONSUMABLE ITEMS	\$613,315	\$377,644	\$207,081	\$211,222	0.0
100.0000.0461	<\$5000 EQUIPMENT	\$574,198	\$1,094,919	\$500,000	\$510,000	0.0
100.0000.0470	COMPUTER SOFTWARE	\$1,498,964	\$1,073,200	\$1,251,503	\$1,276,533	0.0
100.0000.0480	COMPUTER HARDWARE	\$547,942	\$595,554	\$558,901	\$170,079	0.0
100.0000.0481	<\$5000 COMPUTER HARDWAR	\$177,966	\$206,395	\$181,525	\$85,157	0.0
TOTAL SUPPLIES & MATERIALS		\$7,764,327	\$8,124,951	\$5,494,151	\$5,104,035	0.0
100.0000.0520	BUILDING ACQUISITIONS	\$201,538	\$5,000	\$0	\$0	0.0
100.0000.0530	IMPROVEMENTS TO BUILDING	\$315,378	\$36,529	\$0	\$0	0.0
100.0000.0540	CAPITAL EQUIPMENT	\$195,652	\$22,887	\$0	\$0	0.0
100.0000.0542	REPLACEMENT EQUIPMENT	\$121,369	\$21,731	\$0	\$0	0.0
100.0000.0550	CAPITAL TECHNOLOGY	\$861	\$0	\$101,962	\$0	0.0
TOTAL CAPITAL EQUIPMENT		\$834,799	\$86,148	\$101,962	\$0	0.0
100.0000.0610	REDEMPTION OF PRINCIPAL	\$726,024	\$455,000	\$470,000	\$0	0.0
100.0000.0621	INTEREST	\$102,641	\$76,450	\$58,500	\$0	0.0
100.0000.0640	DUES & FEES	\$263,652	\$296,801	\$290,676	\$305,210	0.0
100.0000.0650	INSURANCE AND JUDGMENTS	\$308,400	\$735	\$0	\$0	0.0
100.0000.0651	LIABILITY INSURANCE	\$300	\$346,927	\$340,316	\$357,332	0.0
100.0000.0652	FIDELITY BOND PREMIUMS	\$787,118	\$200	\$221	\$232	0.0
100.0000.0653	PROPERTY & CASULTY INS	\$127,107	\$719,855	\$867,798	\$911,187	0.0

ACCOUNT	DESCRIPTION	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED	2018-19 ADOPTED	2018-19 FTE
100.0000.0655	JUDGEMENTS & SETTLEMNTS	\$20,020	\$20,000	\$140,135	\$147,142	0.0
100.0000.0670	TAXES & LICENSES	\$0	\$21,035	\$22,073	\$23,176	0.0
TOTAL DUES AND FEES		\$2,335,262	\$1,937,003	\$2,189,719	\$1,744,279	0.0
100.0000.790	TRANSFER TO PERS RESERVE	\$500,000	\$0	\$0	\$0	0.0
TOTAL TRANSFERS		\$500,000	\$0	\$0	\$0	\$0
100.0000.0810	PLANNED RESERVE	\$0	\$0	\$0	\$0	0.0
100.0000.0820	RESERVED FOR NEXT YEAR	\$14,558,454	\$12,711,074	\$9,840,724	\$8,999,197	0.0
TOTAL EXPENDITURES		\$209,676,250	\$215,199,641	\$218,613,056	\$223,904,035	1,865.1



GENERAL FUND BUDGET BY FUNCTION SUMMARY

Function	Description	2016-17 Actuals	2017-18 Adopted	2018-19 Adopted	Change from Prior Year
Instruction	Direct classroom	\$121,539,561	\$122,920,108	\$129,331,600	5.22%
Support Services	Counselors, media, assessment, central administration, facilities, transportation	\$79,905,098	\$84,749,021	\$85,027,904	0.33%
Community Services	Office of Hispanic Outreach	\$512,479	\$574,703	\$545,334	-5.11%
Building Improvements	Building acquisitions and capital improvements	\$0	\$0	\$0	0.00%
Other	Debt Service on Admin Center Building	\$531,429	\$528,500	\$0	-100.00%
Contingency	Unexpected expenditures	\$0	\$2,500,000	\$1,500,000	-40.00%
Reserves	Next year's reserve	\$12,711,074	\$7,340,724	\$7,499,197	2.16%
Total		\$215,199,641	\$218,613,056	\$223,904,035	2.42%



**GENERAL FUND BY FUNCTION**

ACCOUNT	DESCRIPTION	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED	2018-19 ADOPTED	2018-19 FTE
100.1111.0000	PRIMARY EDUCATION	\$42,896,687	\$44,971,712	\$46,105,006	\$47,854,900	459.1
100.1113.0000	ELEMENTARY EXTRACURRIC	\$215,024	\$193,696	\$231,106	\$206,114	0.0
100.1121.0000	MIDDLE SCHOOL PROGRAMS	\$10,912,863	\$11,377,873	\$11,729,055	\$12,107,322	114.7
100.1122.0000	MIDDLE SCHL EXTRACURRIC	\$95,777	\$88,215	\$102,940	\$93,870	0.0
100.1123.0000	SATURDAY SCHOOL-MIDDLE	\$993	\$0	\$1,067	\$0	0.0
100.1131.0000	HIGH SCHOOL PROGRAMS	\$21,727,946	\$22,443,317	\$23,353,018	\$23,882,184	214.2
100.1132.0000	HIGH SCHOOL EXTRACURRIC	\$2,426,778	\$2,569,268	\$2,608,281	\$2,733,986	7.9
100.1133.0000	SATURDAY SCHOOL-HIGH SCH	\$19,076	\$11,007	\$20,503	\$11,712	0.0
100.1140.0000	PRE-KINDERGARTEN PRGMS	\$0	\$0	\$0	\$0	0.0
100.1210.0000	TALENTED AND GIFTED	\$571,107	\$489,545	\$613,821	\$520,930	2.3
100.1221.0000	LEARNING CNTRS-STRUCTUR	\$8,144,659	\$9,587,092	\$8,753,813	\$10,201,731	135.4
100.1223.0000	COMMUNITY TRANSITION	\$1,214,441	\$1,827,862	\$1,305,271	\$1,945,048	23.4
100.1224.0000	LIFE SKILLLS WITH NURSING	\$993,731	\$1,257,509	\$1,068,054	\$1,338,129	14.0
100.1225.0000	OUT OF DISTRICT PROGRAMS	\$732,486	\$686,897	\$787,270	\$730,934	0.0
100.1226.0000	HOME INSTRUCTION	\$163,986	\$163,575	\$176,251	\$174,062	1.0
100.1227.0000	EXTENDED SCHOOL YR	\$120,026	\$128,061	\$129,003	\$136,271	0.0
100.1230.0000	PHYSICALLY DISABLED	\$0	\$0	\$0	\$0	0.0
100.1250.0000	LESS RESTRICTIVE PROGRMS	\$12,295,299	\$12,290,501	\$13,214,886	\$13,078,459	151.5
100.1272.0000	TITLE I	\$362	\$44	\$389	\$47	0.0
100.1280.0000	ALTERNATIVE EDUCATION	\$1,387,413	\$1,609,121	\$1,491,180	\$1,712,284	11.0
100.1288.0000	CHARTER SCHOOLS	\$1,223,610	\$1,291,780	\$1,315,126	\$1,374,597	0.0
100.1289.0000	OPTIONS PROGRAMS	\$477,884	\$604,423	\$513,626	\$643,173	0.8
100.1290.0000	DESIGNATED PROGRAMS	\$0	\$72	\$0	\$77	0.0
100.1291.0000	ENGLISH 2ND LANGUAG PROG	\$8,153,178	\$9,250,905	\$8,762,969	\$9,843,991	97.9
100.1292.0000	TEEN PARENT PROGRAMS	\$332,865	\$383,261	\$357,761	\$407,832	4.1
100.1294.0000	YOUTH CORRECTN EDUCATN	\$83,941	\$158,627	\$90,219	\$168,797	1.0
100.1296.0000	ACADEMIC INTERVENTIONS	\$131,537	\$151,031	\$141,375	\$160,714	1.3
100.1430.0000	SECONDARY SUMMER SCH	\$44,772	\$4,169	\$48,118	\$4,436	0.0
TOTAL INSTRUCTIONAL SERVICES		\$114,366,439	\$121,539,561	\$122,920,108	\$129,331,600	1,239.6
100.2110.0000	ATTENDANC & SOCL WRK SVC	\$483,484	\$550,701	\$519,645	\$586,007	4.0
100.2112.0000	ATTENDANCE SERVICES	\$446,393	\$466,564	\$479,780	\$496,476	5.7
100.2113.0000	SOCIAL WORK SERVICES	\$1,288	\$1,137,758	\$1,384	\$1,210,701	10.0
100.2115.0000	STUDENT SAFETY	\$1,116,325	\$882,833	\$1,199,817	\$939,433	10.5
100.2116.0000	BEHAVIORIAL SERVICES	\$2,552,528	\$1,684,943	\$2,743,436	\$1,792,967	0.0
100.2122.0000	COUNSELING SERVICES	\$4,816,577	\$4,671,105	\$5,176,817	\$4,970,575	48.2
100.2126.0000	PLACEMENT SERVICES	\$344,209	\$350,627	\$369,953	\$373,106	3.4
100.2130.0000	HEALTH SERVICES	\$55,306	\$59,487	\$59,442	\$63,301	0.6



ACCOUNT	DESCRIPTION	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED	2018-19 ADOPTED	2018-19 FTE
100.2132.0000	MEDICAL SERVICES	\$64,540	\$154,102	\$69,367	\$163,981	0.0
100.2134.0000	NURSE SERVICES	\$625,758	\$659,568	\$672,560	\$701,854	6.9
100.2139.0000	OTHER HEALTH SERVICES	\$316,343	\$331,892	\$340,003	\$353,170	3.9
100.2140.0000	PSYCHOLOGICAL SERVICES	\$707,087	\$929,399	\$759,971	\$988,984	8.2
100.2150.0000	SPEECH & AUDIO SERVICES	\$2,810,920	\$3,245,193	\$3,021,154	\$3,453,246	28.0
100.2160.0000	STUDENT TREATMNT CENTER	\$275,037	\$113,225	\$295,608	\$120,483	0.0
100.2190.0000	STUDENT SERVICES DIRECTR	\$899,714	\$298,078	\$967,005	\$317,188	0.0
100.2210.0000	IMPROVEMNT OF INSTRCTN	\$232	\$986,440	\$249	\$1,049,682	2.0
100.2211.0000	SERVICE AREA DIRECTION	\$0	\$2,273	\$0	\$2,419	0.0
100.2212.0000	OTHER CURRICULUM INSTR	\$0	\$191,262	\$0	\$203,524	0.0
100.2213.0000	CURRICULUM DEVELOPMENT	\$63,709	\$821	\$68,474	\$874	0.0
100.2219.0000	OTHER IMPRV OF INST	\$0	\$0	\$0	\$0	0.0
100.2220.0000	EDUCATIONAL MEDIA SVCS	\$936	\$0	\$1,006	\$0	0.0
100.2222.0000	LIBRARY MEDIA CENTER	\$1,364,245	\$1,246,022	\$1,466,279	\$1,325,906	15.3
100.2223.0000	MULTIMEDIA SERVICES	\$7,516	\$3,687	\$8,078	\$3,923	0.0
100.2230.0000	ASSESSMENT & TESTING	\$315,129	\$267,042	\$338,698	\$284,162	0.0
100.2240.0000	INSTRUCTNL STAFF DEVELOP	\$1,378,306	\$1,468,237	\$1,481,392	\$1,562,368	3.8
100.2310.0000	BOARD OF EDUCATION	\$192,003	\$204,043	\$206,363	\$217,124	1.0
100.2321.0000	OFFICE OF SUPERINTENDENT	\$559,412	\$616,829	\$601,251	\$656,374	2.0
100.2410.0000	OFFICE OF THE PRINCIPAL	\$13,382,165	\$13,601,234	\$14,383,041	\$14,473,225	114.5
100.2490.0000	OTHER ADMINISTRATION	\$2,260,126	\$2,845,979	\$2,429,165	\$3,028,438	16.0
100.2510.0000	DIRECTOR BUSINESS SVC	\$539,969	\$1,146,723	\$580,354	\$1,220,241	7.2
100.2520.0000	FISCAL SERVICES	\$1,290,472	\$253,011	\$1,386,989	\$269,232	0.0
100.2524.0000	PAYROLL SERVICES	\$390,113	\$666	\$419,290	\$708	4.6
100.2525.0000	FINANCIAL ACCOUNTING	\$224,901	\$325,481	\$241,722	\$346,347	3.0
100.2528.0000	RISK MANAGEMENT SERVICES	\$241,341	\$221,826	\$259,391	\$236,048	1.0
100.2529.0000	OTHER FISCAL SERVICES	\$18,443	\$138,186	\$19,822	\$147,045	0.0
100.2540.0000	FACILITIES MAINTENANCE	\$18,594,034	\$29,501	\$19,984,715	\$31,392	115.7
100.2542.0000	ENERGY RETROFIT- SB1149	\$0	\$16,786,094	\$0	\$17,862,269	0.0
100.2545.0000	HVAC SERVICES	\$381,001	\$268,811	\$409,497	\$286,045	0.0
100.2550.0000	STUDENT TRANSPORTATION	\$13,759,056	\$14,634,143	\$14,788,120	\$15,572,354	165.8
100.2573.0000	WAREHOUSE/DISTRIBUTION	\$37,376	\$36,809	\$40,171	\$39,169	0.5
100.2574.0000	PRINTING SERVICES	\$114,152	\$38,729	\$122,690	\$41,212	4.0
100.2620.0000	PLANNING & DEVELPMNT SVC	\$0	\$0	\$0	\$0	0.0
100.2630.0000	COMMUNITY RELATIONS	\$635,365	\$626,434	\$682,885	\$666,596	4.0

ACCOUNT	DESCRIPTION	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED	2018-19 ADOPTED	2018-19 FTE
100.2639.0000	OTHER INFORMATION SRVS	\$61,588	\$6,352	\$66,195	\$6,760	1.0
100.2640.0000	STAFF SERVICES	\$1,764,056	\$1,998,680	\$1,895,993	\$2,126,818	12.4
100.2660.0000	TECHNOLOGY SERVICES	\$5,702,653	\$6,381,483	\$6,129,165	\$6,790,607	21.2
100.2670.0000	RECORDS MANAGEMENT	\$23,927	\$16,991	\$25,717	\$18,080	0.0
100.2690.0000	COORDINATION OF OPER	\$1,571	\$0	\$36,367	\$0	0.0
100.2700.0000	EARLY RETIREMENT	\$32,266	\$25,836	\$0	\$27,492	0.0
TOTAL SUPPORT SERVICES		\$78,851,573	\$79,905,098	\$84,749,021	\$85,027,904	624.4
100.3390.0000	OTHER COMMUNITY SERVICES	\$551,209	\$512,479	\$574,703	\$545,334	4.1
TOTAL OFFICE OF HISPANIC OUTREACH		\$551,209	\$512,479	\$574,703	\$545,334	4.1
100.4150.0000	BUILDING IMPROVEMENTS	\$19,909	\$0	\$0	\$0	0.0
TOTAL BUILDING IMPROVEMENTS		\$19,909	\$0	\$0	\$0	0.0
100.5110.0000	LONG TERM DEBT SERVICE	\$828,665	\$531,429	\$528,500	\$0	0.0
TOTAL DEBT SERVICE		\$828,665	\$531,429	\$528,500	\$0	0.0
100.5200.0000	TRANSFER TO PERS RESERVE	\$500,000	\$0	\$0	\$0	0.0
TOTAL TRANSFERS		\$500,000	\$0	\$0	\$0	0.0
100.6110.0000	OPERATING CONTINGENCY	\$0	\$0	\$2,500,000	\$1,500,000	0.0
100.7000.0000	UNAPPROPRIATED END BAL	\$14,558,454	\$12,711,074	\$7,340,724	\$7,499,197	0.0
TOTAL EXPENDITURES		\$209,676,249	\$215,199,641	\$218,613,056	\$223,904,035	1,865.1

Note: Immaterial rounding differences may exist between tables.



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-3

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.

1123 Saturday School – Middle School

Extended contract time to staff middle school Saturday school programs.

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.
- 1230 Programs for Students with Disabilities**
Special learning experiences outside the regular classroom for students with disabilities.
- 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.
- 1260 Treatment and Habilitation**
Assistive program staff and supplies for treatment and habilitation of eligible students.
- 1271 Remediation**
Instructional activities to improve achievement that take place outside regular class time (e.g., after school, Saturday school, and summer school).

- 1272 Title I**
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.
- 1420 Middle School Summer School**
Middle school summer school for middle 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.
- 1490 Other Summer School Programs**
Other summer school programs include staff and material and operating costs.
- 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.

2117 Identification and Recruitment of Migrant Children

Includes staff and material costs to identify and recruit children identified as "Migrant."

2119 Other Attendance and Social Services

Services other than attendance services, social work services, and student safety.

2122 Counseling Services

Includes staff, services, and materials.

2124 Student Information Services

Includes staff, technology, and supplies for information services.

2126 Placement

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 and 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 Student Services Director**
Direction and management of student support services (e.g., special education director and at-risk programs).
- 2210 Improvement of Instruction**
Activities that assist instructional staff to plan, develop, and evaluate the process of providing learning experiences to students.
- 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.
- 2310 Board of Directors**
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.
- 2521 Fiscal Service Direction**
Includes Administration Center business office staff and expenses.
- 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.
- 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 Community Relations**
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.
- 2645 Employee Health Services**
Includes costs of mandated preventative measures for staff.
- 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 District Safety Coordination**
Activities related to coordinating safety and safety-awareness programs throughout the District.
- 3100 Food Services**
Activities related to the Nutrition Services program.
- 3390 Other Community Services**
Services provided for the community, such as parental involvement and college scholarship expenditures.
- 4150 Building Acquisition, Construction, and Improvement Services**
Activities related to District property that may be capitalized per Generally Accepted Accounting Principles (GAAP).
- 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.

In prior Budget documents, Special Revenue Funds are shown as “Part 1” and “Part 2” in Resource and Requirements with Part 1 funds designated for specific local, state, or federal grants and Part 2 representing Nutrition Services. To align closer with coding requirements of the Oregon Department of Education’s Program and Accounting Manual, the parts have been combined. Nutrition Services specific program information will still be included. 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 I-A 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.

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' budget is \$9,548,319 for the 2018-19 school year, including the Summer Foodservice Program. Nutrition Services operates federally and state-funded meal programs that provide breakfast, lunch, various after-school snacks, and a summer feeding program in cooperation with Hillsboro Parks and Recreation and area organizations. During the regular school year, Nutrition Services provides meals to four high schools, four middle schools, twenty-five elementary schools, one alternative school, and Head Start programs in five of the schools. Meal serving sites and summer learning programs receive meals around the community to provide for populations in need.



The Nutrition Services department is self-supporting and receives no funds from the District's general operating account. Nutrition Services pays wages and benefits for 127 employees. This includes warehouse, office, and District maintenance staff. Salary and benefits represent 44.7 percent of the department's expenditures. Food, paper, and chemical supplies average 50.6 percent of Nutrition Services' expenditures. The department funds provide for repair and/or replacement of kitchen equipment.

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 two vehicles.

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

The Community Eligibility Provision (CEP) expires at the end of the 2017-18 school year and reapplication will be required to continue the program (due June 30). Reapplication requires April 2 eligibility data and preliminary indications are that approximately half of the sites will be unable to continue the program due to a smaller number of households receiving state benefits; likely due to an improved economy over the last four (4) years of the program. Currently, 14 schools are qualified to allow all students to receive breakfast and lunch at no cost. Of the 20 non-CEP schools, the percentage of free-and-reduced-price-eligible students totals 36.3 percent or 5,352 students, with two (2) sites having more than 50 percent of the students eligible.

Average Daily Participation (ADP) equates to 47.3 percent of District student enrollment.

À la carte items are offered at all secondary schools.

REVENUES

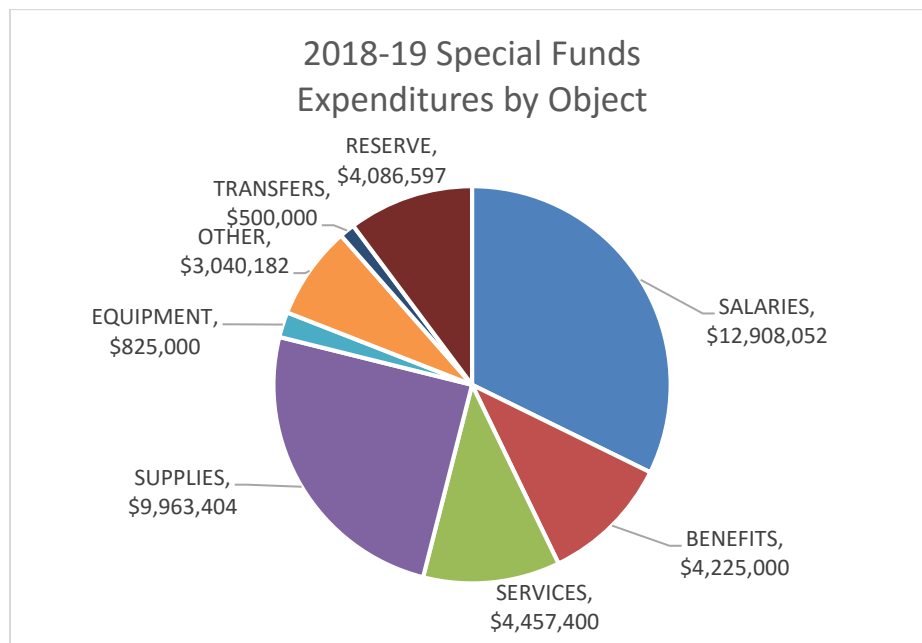
ACCOUNT	DESCRIPTION	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED*	2018-19 ADOPTED
2XX.0000.1200	CONSTRUCTION EXCISE TAX	\$1,176,263	\$2,416,895	\$3,000,000	\$3,000,000
2XX.0000.1513	INTEREST ON BANK ACCOUNTS	\$0	\$1,305	\$0	\$1,500
2XX.0000.1612	LUNCH SALES	\$1,268,286	\$1,272,636	\$1,375,000	\$1,500,000
2XX.0000.1620	NONREIMB PROGRAM SALES	\$117,808	\$117,271	\$175,000	\$126,000
2XX.0000.1630	SPECIAL FUNCTIONS	\$253,273	\$238,805	\$215,000	\$245,000
2XX.0000.1744	STUDENT PARTICIPATION FEE	\$4,226,696	\$3,896,980	\$3,742,839	\$3,650,000
2XX.0000.1746	STUDENT TESTING FEES	\$16,277	\$0	\$14,414	\$14,500
2XX.0000.1750	VENDING MACHINE	\$24,626	\$27,988	\$35,000	\$35,000
2XX.0000.1910	BUILDING RENTAL/USAGE	\$0	\$60,000	\$0	\$0
2XX.0000.1920	DONATION FROM PRIV SOURCE	\$90,210	\$1,109,790	\$1,250,000	\$1,250,000
2XX.0000.1940	SERVICES/OTHER AGENCIES	\$906,489	\$24,200	\$802,717	\$25,000
2XX.0000.1960	RECOVERY PRIOR YEAR	\$4,428	\$132,945	\$3,921	\$50,000
2XX.0000.1990	MISCELLANEOUS REVENUE	\$120,232	\$175,990	\$81,803	\$36,000
2XX.0000.2200	RESTRICTED REVENUE	\$687,983	\$1,065,692	\$609,225	\$1,100,000
2XX.0000.2212	PUBLIC PURPOSE CHARGE REV	\$390,634	\$394,807	\$345,916	\$375,000
2XX.0000.3102	SCHOOL SUPPT/LUNCH MATCH	\$82,885	\$81,922	\$85,000	\$85,000
2XX.0000.3120	REDUCED BRKFST/LNCH	\$63,557	\$62,089	\$66,000	\$65,000
2XX.0000.3199	OTHER UNRESTRICTED GRANTS	\$0	\$3,525	\$0	\$3,600
2XX.0000.3200	RESTRICTED GRANTS IN AID	\$994,133	\$1,026,790	\$880,328	\$890,000
2XX.0000.3222	SSF TRANSPORTATION EQUIP	\$1,020,000	\$1,330,000	\$1,050,000	\$1,330,000
2XX.0000.3299	OTHER RESTRICTED GRANTS	\$0	\$1,350	\$3,000,000	\$3,200,000
2XX.0000.4100	UNRESTR DIR FROM FED GOVT	\$22,856	\$23,086	\$20,240	\$24,000
2XX.0000.4500	RESTR FROM FED THRU STATE	\$435,288	\$456,752	\$385,458	\$430,000
2XX.0000.4501	TITLE I REVENUES	\$4,569,708	\$4,899,119	\$3,576,000	\$4,900,000
2XX.0000.4505	SCHOOL NUTRITION REVENUE	\$5,740,858	\$5,738,396	\$5,726,961	\$5,700,000
2XX.0000.4506	PERKINS VOC ED REVENUE	\$172,617	\$167,600	\$152,856	\$167,600
2XX.0000.4508	IDEA (PL 101-476)	\$2,853,820	\$2,853,479	\$2,945,000	\$2,945,000
2XX.0000.4509	TITLE ID REVENUES	\$21,162	\$15,567	\$18,739	\$16,000
2XX.0000.4512	TITLE II REVENUE	\$523,022	\$560,415	\$530,000	\$550,000
2XX.0000.4545	FOCUS PLANNING	\$79,406	\$72,204	\$56,600	\$72,500
2XX.0000.4580	HOMELESS GRANT	\$20,191	\$1,381	\$60,000	\$1,400
2XX.0000.4700	GRANTS FROM FED THRU OTHR	\$618,598	\$593,089	\$547,783	\$594,000
2XX.0000.4705	DEPENDT CARE BLOCK GRANT	\$70,211	\$53,758	\$62,174	\$54,000
2XX.0000.4910	USDA COMMODITIES	\$557,122	\$631,177	\$645,000	\$607,319
2XX.0000.5100	LONG-TERM DEBT FINANCE SOURCE	\$5,374,289	\$1,254,561	\$1,300,000	\$1,583,363
2XX.0000.5200	INTERFUND TRANSFERS	\$0	\$0	\$0	\$500,000
2XX.0000.5300	COMPENSATION/LOSS ASSETS	\$38,286	\$12,500	\$33,903	\$25,000
2XX.0000.5400	BEGINNING FUND BALANCE	\$5,369,178	\$8,634,227	\$2,775,492	\$4,853,853
TOTAL RESOURCES		\$37,910,392	\$39,408,290	\$35,568,369	\$40,005,635

EXPENDITURES BY OBJECT

ACCOUNT	DESCRIPTION	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED	2018-19 ADOPTED
2XX.0000.0111	REG LICENSED SALARIES	\$2,905,490	\$2,961,693	\$5,010,065	\$5,160,367
2XX.0000.0112	REG CLASSIFIED SALARIES	\$3,663,018	\$3,977,885	\$3,587,461	\$5,977,085
2XX.0000.0113	REG ADMIN SALARIES	\$805,709	\$841,807	\$728,659	\$750,519
2XX.0000.0114	REG SUPERVISORY SALARIES	\$158,322	\$150,635	\$149,876	\$154,372
2XX.0000.0121	SUBSTITUTES-LICENSED	\$187,214	\$8,433	\$161,735	\$160,000
2XX.0000.0122	SUBSTITUTES-CLASSIFIED	\$56,797	\$37,689	\$57,703	\$15,203
2XX.0000.0123	CERTIFIED TEMPORARY WAGE	\$128,992	\$149,341	\$111,437	\$114,780
2XX.0000.0124	TEMPORARY-CLASSIFIED	\$41,853	\$137,771	\$36,157	\$37,242
2XX.0000.0131	EXTENDED CONTRACT	\$504,571	\$330,003	\$435,901	\$448,978
2XX.0000.0134	ADVISOR PAY	\$0	\$3,820	\$0	\$0
2XX.0000.0136	ATHLETIC/ACTIVITY PAY	\$9,000	\$7,200	\$7,775	\$8,008
2XX.0000.0138	EXTRA DUTY STIPEND	\$1,473	\$10,766	\$1,273	\$1,311
2XX.0000.0139	OVERTIME WAGES	\$73,356	\$19,339	\$14,474	\$15,974
2XX.0000.0140	OTHER TIME	\$6,035	\$56,638	\$66,213	\$56,213
2XX.0000.0144	STUDENT WAGES	\$8,867	\$9,644	\$7,660	\$8,000
TOTAL SALARIES		\$8,550,697	\$8,702,665	\$10,376,389	\$12,908,052
2XX.0000.02XX	EMPLOYEE BENEFITS	\$2,702,503	\$6,928	\$2,334,703	\$0
2XX.0000.0211	PERS EMPLOYER CONTRIBUTN	\$107,645	\$417,869	\$228,000	\$435,000
2XX.0000.0213	PERS BOND 2005	\$140,119	\$545,433	\$158,000	\$559,000
2XX.0000.0214	PERS BOND 2015	\$42,113	\$162,723	\$47,000	\$163,000
2XX.0000.0216	PERS EMPLOYER-TIER III	\$75,216	\$288,963	\$84,000	\$289,000
2XX.0000.0220	SOCIAL SECURITY ADMIN	\$173,913	\$654,402	\$192,000	\$644,000
2XX.0000.0231	WORKERS' COMPENSATION	\$50,126	\$85,878	\$63,000	\$83,000
2XX.0000.0232	UNEMPLOYMENT COMPENSATION	\$2,245	\$8,501	\$3,000	\$8,000
2XX.0000.0241	DISABILITY INSURANCE	\$8,486	\$33,484	\$10,000	\$35,000
2XX.0000.0242	MEDICAL INSURANCE	\$588,447	\$1,623,848	\$605,000	\$1,624,000
2XX.0000.0243	LIFE INSURANCE	\$4,167	\$10,577	\$4,000	\$10,000
2XX.0000.0244	EMPLOYEE ASSISTANCE	\$699	\$1,864	\$1,000	\$2,000
2XX.0000.0246	DENTAL INSURANCE	\$77,518	\$212,832	\$82,000	\$215,000
2XX.0000.0248	VISION INSURANCE	\$15,326	\$50,537	\$16,000	\$47,000
2XX.0000.0249	TUITION REIMBURSEMENT	\$0	\$10,400	\$0	\$0
2XX.0000.0251	ADMIN FLEX BENEFIT	\$24,075	\$101,250	\$34,000	\$105,000
2XX.0000.0254	COMMUNICATIONS STIPEND	\$1,170	\$6,003	\$2,000	\$6,000
TOTAL BENEFITS		\$4,013,768	\$4,221,492	\$3,863,703	\$4,225,000
2XX.0000.0310	INST, PROF & TECH SERVICE	\$60,453	\$140,813	\$52,225	\$142,000
2XX.0000.0311	INSTRUCTION SERVICES	\$91,349	\$101,729	\$78,917	\$102,000
2XX.0000.0312	INSTR PROG IMPROVEMENT	\$101,786	\$167,693	\$87,934	\$168,000

ACCOUNT	DESCRIPTION	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED	2018-19 ADOPTED
2XX.0000.0313	STUDENT SERVICES	\$0	\$4,463	\$0	\$4,500
2XX.0000.0318	PROF IMPROVE/NON-INSTRUCT	\$1,582	\$3,793	\$4,000	\$8,800
2XX.0000.0319	OTHER PROF & TECH INSTRNL	\$15,041	\$43,443	\$12,994	\$44,000
2XX.0000.0322	REPAIR & MAINTENANCE	\$37,710	\$552,337	\$60,358	\$60,000
2XX.0000.0323	LAUNDRY & DRY CLEANING	\$20,700	\$19,062	\$24,414	\$55,000
2XX.0000.0324	RENTAL EXPENSE	\$0	\$271	\$0	\$2,500
2XX.0000.0325	ELECTRICITY	\$16,385	\$16,332	\$18,000	\$0
2XX.0000.0330	STUDENT TRANSPORTATION	\$2,538	\$1,650	\$2,193	\$2,500
2XX.0000.0331	REIMBURSABLE STUDENT TRAN	\$73,440	\$34,538	\$63,445	\$64,000
2XX.0000.0332	NONREIMB STUDENT TRANSP	\$645	\$1,540	\$557	\$1,500
2XX.0000.0340	TRAVEL	\$354,648	\$463,244	\$298,316	\$465,000
2XX.0000.0343	STUDENT OUT OF DIST TRANS	\$17,902	\$21,013	\$15,466	\$22,000
2XX.0000.0353	POSTAGE	\$0	\$0	\$4,000	\$0
2XX.0000.0354	ADVERTISING	\$58	\$70	\$0	\$2,500
2XX.0000.0355	PRINTING & BINDING	\$11,782	\$26,346	\$14,478	\$10,000
2XX.0000.0374	OTHER TUITION PAYMENTS	\$650	\$500	\$562	\$500
2XX.0000.0382	LEGAL SERVICES	\$29,067	\$29,187	\$25,111	\$30,000
2XX.0000.0390	OTHER GEN PROF & TECH SRV	\$1,460,045	\$2,864,085	\$1,266,611	\$2,883,000
2XX.0000.0391	SUBSTITUTES- LICENSED	\$179,373	\$408,061	\$154,961	\$284,600
2XX.0000.0392	BANK SERVICE FEES	\$48	\$0	\$0	\$1,000
2XX.0000.0399	SUBSTITUTES- CLASSIFIED	\$121,003	\$158,932	\$38,179	\$95,000
TOTAL SERVICES		\$2,600,572	\$5,068,997	\$2,224,894	\$4,457,400
2XX.0000.0410	SUPPLIES & MATERIALS	\$4,610,408	\$3,769,585	\$4,055,363	\$3,774,585
2XX.0000.0413	FOOD SUPPLIES	\$39,720	\$39,193	\$44,000	\$0
2XX.0000.0414	PAPER SUPPLIES	\$84,313	\$69,772	\$87,000	\$90,000
2XX.0000.0415	USDA COMMODITIES	\$557,122	\$631,177	\$646,000	\$607,319
2XX.0000.0418	GASOLINE & OIL	\$604	\$6,691	\$8,522	\$8,500
2XX.0000.0419	TIRES	\$0	\$1,216	\$8,000	\$8,000
2XX.0000.0420	TEXTBOOKS	\$0	\$9,668	\$5,741	\$10,000
2XX.0000.0430	LIBRARY BOOKS	\$6,645	\$292	\$4,700	\$500
2XX.0000.0440	PERIODICAL SUBSCRIPTIONS	\$5,440	\$6,465	\$0	\$6,500
2XX.0000.0450	FOOD	\$3,314,630	\$3,905,096	\$4,011,087	\$4,075,000
2XX.0000.0460	NON-CONSUMABLE ITEMS	\$96,078	\$77,874	\$668,947	\$530,000
2XX.0000.0461	<\$5000 EQUIPMENT	\$166,848	\$85,627	\$64,615	\$80,000
2XX.0000.0470	COMPUTER SOFTWARE	\$124,048	\$260,163	\$120,615	\$306,000
2XX.0000.0480	COMPUTER HARDWARE	\$282,357	\$356,287	\$256,999	\$377,000
2XX.0000.0481	<\$5000 COMPUTER HARDWARE	\$155,287	\$87,507	\$134,153	\$90,000
TOTAL SUPPLIES		\$9,443,500	\$9,306,615	\$10,115,742	\$9,963,404

ACCOUNT	DESCRIPTION	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED	2018-19 ADOPTED
2XX.0000.0510	LAND ACQUISITION	\$216,473	\$15,600	\$187,012	\$15,000
2XX.0000.0520	BUILDINGS ACQUISITION	\$336,948	\$142,630	\$291,091	\$150,000
2XX.0000.0530	IMPROV OTHER THAN BLDGS	\$181,373	\$827,640	\$156,689	\$100,000
2XX.0000.0540	CAPITAL EQUIPMENT	\$2,104,304	\$1,463,627	\$1,817,917	\$500,000
2XX.0000.0542	REPLACEMENT EQUIPMENT	\$0	\$5,610	\$0	\$0
2XX.0000.0550	CAPITAL TECHNOLOGY	\$64,385	\$0	\$55,622	\$60,000
TOTAL EQUIPMENT		\$2,903,483	\$2,455,107	\$2,508,331	\$825,000
2XX.0000.0610	PRINCIPAL	\$980,301	\$1,222,039	\$846,886	\$2,352,796
2XX.0000.0621	INTEREST	\$18,520	\$162,912	\$16,000	\$44,519
2XX.0000.0622	INTEREST-TRANSPORTATION	\$16,075	\$0	\$13,888	\$50,367
2XX.0000.0640	DUES & FEES	\$49,519	\$102,229	-\$3,906	\$138,000
2XX.0000.0651	LIABILITY INSURANCE	\$2,120	\$1,470	\$1,831	\$1,500
2XX.0000.0670	TAXES & LICENSES	\$3,447	\$0	\$2,978	\$3,000
2XX.0000.0690	GRANT INDIRECT CHARGES	\$691,163	\$582,038	\$747,780	\$450,000
TOTAL OTHER		\$1,791,145	\$2,070,688	\$1,625,457	\$3,040,182
2XX.0000.0700	INTERFUND TRANSFERS	\$0	\$0	\$0	\$500,000
TOTAL OTHER		\$0	\$0	\$0	\$500,000
2XX.0000.0820	RESERVED FOR NEXT YEAR	\$8,637,227	\$7,582,726	\$4,853,853	\$4,086,597
TOTAL EXPENDITURES		\$37,910,392	\$38,408,290	\$35,568,369	\$40,005,635



EXPENDITURES BY FUNCTION

ACCOUNT	DESCRIPTION	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED	2018-19 ADOPTED
2XX.1111.0000	PRIMARY PROGRAMS K-3	\$435,465	\$397,630	\$385,615	\$490,805
2XX.1113.0000	ELEMENTRY EXTRACURRICULAR	\$381,280	\$273,436	\$337,632	\$337,509
2XX.1121.0000	MIDDLE SCHOOL PROGRAMS	\$32,785	\$39,117	\$29,032	\$48,283
2XX.1122.0000	MIDDLE SCH EXTRACURRICULR	\$228,824	\$173,616	\$202,629	\$214,299
2XX.1131.0000	HIGH SCHOOL PROGRAMS	\$647,172	\$627,263	\$3,073,086	\$774,247
2XX.1132.0000	HIGH SCH EXTRACURRICULAR	\$3,583,679	\$3,428,451	\$3,073,433	\$4,231,825
2XX.1210.0000	TALENTED & GIFTED PROGRAMS	\$9,756	\$0	\$8,639	\$0
2XX.1221.0000	LEARNING CNTRS-STRUCTURED	\$1,048,977	\$1,102,917	\$928,894	\$1,361,359
2XX.1223.0000	COMMUNITY TRANSITION SRVC	\$511,963	\$362,153	\$453,355	\$447,015
2XX.1224.0000	LIFE SKILLS WITH NURSING	\$2,337	\$0	\$2,069	\$0
2XX.1250.0000	LESS RESTR PROG-DISABLED	\$303,431	\$328,879	\$268,695	\$405,944
2XX.1272.0000	TITLE I	\$2,809,913	\$2,974,943	\$2,488,245	\$3,672,048
2XX.1280.0000	ALTERNATIVE EDUCATION	\$515,011	\$439,746	\$456,054	\$542,789
2XX.1289.0000	OPTIONS PROGRAMS	\$50,125	\$71,181	\$44,387	\$87,860
2XX.1291.0000	ENGLISH 2ND LANG PROGRAMS	\$13,350	\$0	\$11,822	\$0
2XX.1292.0000	TEEN PARENT PROGRAMS	\$70,211	\$53,762	\$62,174	\$66,360
2XX.1293.0000	MIGRANT EDUCATION	\$320,524	\$290,541	\$283,832	\$358,623
2XX.1295.0000	INDIAN EDUCATION PROGRAM	\$23,106	\$24,842	\$20,461	\$30,664
2XX.1300.0000	CONTINUING ED PROGRAMS	\$650	\$500	\$576	\$617
2XX.1400.0000	SUMMER SCHOOL PROGRAMS	\$53,959	\$38,589	\$47,782	\$47,631
2XX.1410.0000	SUMMER SCHOOL-INTERMEDIAT	\$45,633	\$40,387	\$40,409	\$49,850
2XX.1420.0000	SUMMER PROG-MIDDLE SCHOOL	\$21,228	\$14,153	\$18,798	\$17,470
2XX.1430.0000	SECONDARY SUMMER	\$28,401	\$35,490	\$25,150	\$43,806
2XX.1440.0000	K-3 SUMMER SCHOOL PROGRAM	\$89,489	\$121,519	\$79,245	\$149,994
2XX.1490.0000	SECONDARY SUMMER SCHOOL	\$24,625	\$23,807	\$21,806	\$29,386
2XX.1495.0000	ID & RCRTMNT - MIGRANT SUMMR	\$6,843	\$10,370	\$6,060	\$12,800
TOTAL INSTRUCTION		\$11,258,737	\$10,873,293	\$12,369,880	\$13,421,183
2XX.2100.0000	SUPPORT SERVICES-STUDENTS	\$134,017	\$547	\$118,675	\$675
2XX.2110.0000	ATTNDNCE & SOCIAL WRK SRV	\$69	\$0	\$61	\$0
2XX.2114.0000	STUDENT ACCTNG SVCS	\$92	\$0	\$81	\$0
2XX.2117.0000	ID & RCRTMNT OF MIGRANT	\$147,907	\$121,911	\$130,975	\$150,478
2XX.2119.0000	OTHER ATTEN & SOCIAL SVCS	\$187,006	\$220,897	\$243,865	\$272,658
2XX.2120.0000	GUIDANCE SERVICES	\$0	\$2,621	\$0	\$3,235
2XX.2122.0000	COUNSELING SERVICES	\$4,539	\$4,973	\$4,019	\$6,139
2XX.2126.0000	PLACEMENT SERVICES	\$0	\$0	\$0	\$0
2XX.2130.0000	HEALTH SERVICES	\$250	\$0	\$221	\$0
2XX.2134.0000	NURSE SERVICES	\$199	\$300	\$176	\$370

ACCOUNT	DESCRIPTION	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED	2018-19 ADOPTED
2XX.2139.0000	OTHER HEALTH SERVICES	\$2,858	\$1,578	\$2,531	\$1,948
2XX.2140.0000	PSYCHOLOGICAL SERVICES	\$171,805	\$174,363	\$152,137	\$215,220
2XX.2150.0000	SPEECH & AUDIO SERVICES	\$22,270	\$23,533	\$19,721	\$29,047
2XX.2160.0000	STUDENT TREATMENT SERVICE	\$305,888	\$318,981	\$270,871	\$393,726
2XX.2190.0000	STUDENT SERVICES DIRECTOR	\$687,078	\$737,522	\$608,424	\$910,342
2XX.2210.0000	IMPROVEMENT OF INSTRUCTION	\$120,889	\$176,145	\$107,050	\$217,420
2XX.2211.0000	IMPROVEMENT OF INST SVC	\$6,870	\$4,992	\$6,084	\$6,162
2XX.2219.0000	OTHER IMPR OF INSTRUCTION	\$19,361	\$24,994	\$17,145	\$30,850
2XX.2230.0000	ASSESSMENT & TESTING	\$8,047	\$9,210	\$7,126	\$11,368
2XX.2240.0000	HEALTH SERVICES	\$1,740,324	\$2,232,400	\$1,541,098	\$2,755,509
2XX.2300.0000	SUPPORT SVCS-GEN ADMIN	\$1,232	\$2,425	\$1,091	\$2,993
2XX.2410.0000	OFFICE OF THE PRINCIPAL	\$107,238	\$128,762	\$94,962	\$158,935
2XX.2490.0000	OTHER SUP-SCH ADMINISTRATION	\$87,719	\$111,220	\$77,677	\$137,282
2XX.2520.0000	FISCAL SERVICES	\$29,067	\$0	\$25,740	\$0
2XX.2540.0000	FACILITIES MAINTENANCE	\$870,000	\$1,581,063	\$770,406	\$1,115,299
2XX.2542.0000	ENERGY RETROFIT	\$0	\$2,604,946	\$0	\$0
2XX.2543.0000	ENERGY CONSERVATION PROG	\$0	\$2,613	\$0	\$0
2XX.2550.0000	STUDENT TRANSPORTATION	\$2,624,799	\$1,557,802	\$2,324,322	\$1,891,062
2XX.2610.0000	DIRECTOR/CENTRAL SUPPORT	\$590,763	\$659,979	\$523,135	\$814,629
2XX.2620.0000	PLANNING & DEVEL SVCS	\$11,414	\$0	\$10,107	\$0
2XX.2630.0000	COMMUNITY RELATIONS	\$0	\$8,814	\$0	\$10,879
2XX.2660.0000	TECHNOLOGY SERVICES	\$128,605	\$194,948	\$113,883	\$240,629
TOTAL SUPPORT SERVICES		\$8,010,306	\$10,907,537	\$7,171,583	\$9,376,855
2XX.3110.0000	SERVICE AREA DIRECTION	\$40	\$838,467	\$35	\$0
2XX.3120.0000	FOOD PREP & DISP SERVICES	\$8,272,835	\$7,465,282	\$8,981,000	\$9,548,319
2XX.3130.0000	FOOD PREP & DISP SERVICES	\$0	\$6,556	\$0	\$0
2XX.3300.0000	COMMUNITY SERVICES	\$71,041	\$84,067	\$62,908	\$65,000
2XX.3390.0000	OTHER COMMUNITY SERVICES	\$2,450	\$552,585	\$2,169	\$560,000
TOTAL COMMUNITY SERVICES		\$8,346,366	\$8,946,957	\$9,046,112	\$10,173,319
2XX.4150.0000	BLDG ACQUIS, CONST & IMPR	\$0	\$32,148	\$150,000	\$0
2XX.4151.0000	ENERGY IMPROVMENTS	\$0	\$0	\$100,000	\$0
TOTAL CAPITAL IMPROVMENTS		\$0	\$32,148	\$250,000	\$0
2XX.5100.0000	DEBT SERVICE	\$1,232,086	\$992,607	\$1,500,000	\$2,447,682
2XX.5110.0000	INTERFUND TRANSFERS	\$425,670	\$73,023	\$376,941	\$500,000
TOTAL DEBT SERVICE AND TRANSFERS		\$1,657,756	\$1,065,630	\$1,876,941	\$2,947,682
2XX.6100.0000	RESERVED FOR NEXT YEAR	\$8,265,377	\$6,712,741	\$4,358,855	\$4,086,597
TOTAL EXPENDITURES		\$37,910,392	\$39,408,290	\$35,568,369	\$40,005,636

Note: Immaterial rounding differences may exist between tables.

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.

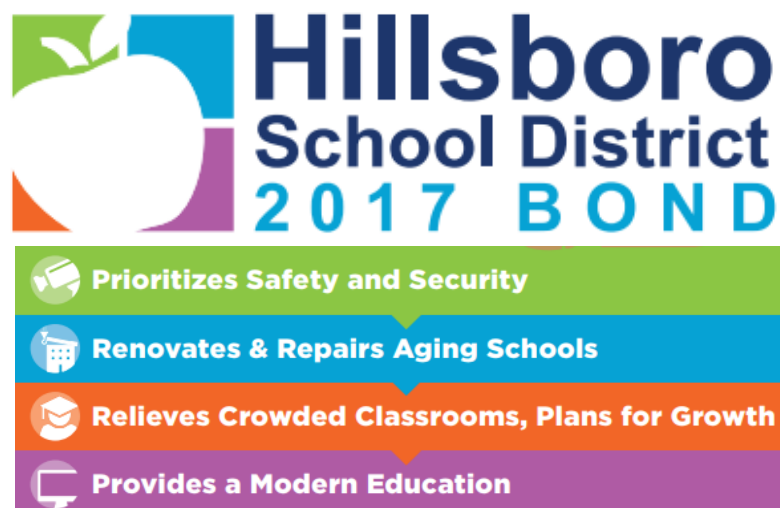
The primary revenue source is property taxes that fall outside the limits set for operation. The tax levy for debt service is determined by dividing the bonded debt by the assessed value of the District.

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 debt as of July 1, 2018, is \$355,230,000 in bonded debt, and \$117,570,000, for PERS Pension Obligation Bonds. The debt limit for Hillsboro School District is based on an assessed value of \$14.6 billion. The debt ratio as of June 30, 2017, was 4.21 percent.



BUDGET GENERAL OBLIGATION BONDS

		PRINCIPAL OUTSTANDING 7/1/2018	2018-19 PRINCIPAL PAYMENTS	2018-19 INTEREST PAYMENTS
PURPOSE	GO Bond Refunding, Series 2012			
ISSUE DATE	November 2012			
ISSUE AMOUNT	\$98,950,000	\$86,835,000	\$11,130,000	\$3,554,212.50
COUPON RATES	1.50 – 5.00%			
FINAL PAYMENT DATE	June 2026			
PURPOSE	Pension Bond Pool			
ISSUE DATE	June 2005			
ISSUE AMOUNT	\$102,850,000	\$80,575,000	\$5,075,000	\$3,824,700
COUPON RATES	4.052 to 4.759%			
FINAL PAYMENT DATE	June 2028			
PURPOSE	GO Bond, Series 2017			
ISSUE DATE	November 2017			
PAR AMOUNT	\$268,395,000	\$268,395,000	\$300,000	\$19,656,837
COUPON RATES	1.50 – 5.00%			
FINAL PAYMENT DATE	June 2038			
PURPOSE	Pension Obligation Bond			
ISSUE DATE	March 2015			
ISSUE AMOUNT	\$39,285,000	\$36,995,000	\$1,000,000	\$1,473,997
COUPON RATES	0.65% to 3.505%			
FINAL PAYMENT DATE	June 2034			
TOTAL		\$472,800,000	\$17,505,000	\$28,509,746.50
GENERAL OBLIGATION DEBT SERVICE		\$355,230,000	\$11,430,000	\$23,211,049.50

DEBT SERVICE REVENUE

ACCOUNT	DESCRIPTION	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED	2018-19 ADOPTED
300.0000.1111	CURRENT YEAR PROPERTY TAX	\$30,341,295	\$31,202,997	\$32,314,425	\$32,811,049
300.0000.1112	PRIOR YEAR PROPERTY TAX	\$346,497	\$335,347	\$250,000	\$250,000
300.0000.1114	PAYMENTS IN LIEU OF TAX	\$5,851	\$1,997	\$0	\$0
300.0000.1190	PENALTIES & INTER ON TAX	\$7,279	\$13,108	\$10,000	\$10,000
300.0000.1512	INTEREST ON LGIP	\$100,364	\$193,480	\$100,000	\$70,000
300.0000.5400	BEGINNING FUND BALANCE	\$1,433,642	\$1,661,262	\$945,000	\$1,500,000
329.0000.5400	BEGINNING FUND BALANCE	\$324	\$0	\$0	\$0
390.0000.1970	SERVICES PROVIDE OTHER FUND	\$8,717,282	\$10,530,898	\$10,937,549	\$11,373,697
390.0000.1512	INTEREST ON LGIP	\$0	\$10,138	\$0	\$0
TOTAL REVENUE		\$40,952,534	\$43,939,089	\$44,556,974	\$46,014,746

DEBT SERVICE EXPENDITURES BY FUNCTION

ACCOUNT	DESCRIPTION	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED	2018-19 ADOPTED
300.2520.XXXX	FISCAL SERVICES	\$1,773	\$0	\$20,000	\$0
300.5110.XXXX	LONG TERM DEBT SERVICE	\$30,473,013	\$31,383,870	\$33,599,425	\$34,641,049
300.7000.XXXX	UNAPPROPRIATED ENDING BALANCE	\$1,661,260	\$2,122,467	\$0	\$0
390.5110.XXXX	LONG TERM DEBT SERVICE	\$8,816,488	\$10,432,752	\$10,937,549	\$11,373,697
TOTAL EXPENDITURES		\$40,952,534	\$43,939,089	\$44,556,974	\$46,014,746

DEBT SERVICE EXPENDITURES BY OBJECT

ACCOUNT	DESCRIPTION	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED	2018-19 ADOPTED
300.XXXX.0319	OTHER GEN PROF & TECH SRV	\$1,773	\$0	\$20,000	\$0
300.XXXX.0610	REDEMPTION OF PRINCIPAL	\$23,495,000	\$25,435,000	\$28,845,000	\$11,430,000
300.XXXX.0621	INTEREST	\$6,978,013	\$5,948,870	\$4,754,425	\$23,211,049
300.XXXX.0820	RESERVED FOR NEXT YEAR	\$1,661,260	\$2,122,467	\$0	\$0
390.XXXX.0610	REDEMPTION OF PRINCIPAL	\$3,705,000	\$4,720,000	\$5,415,000	\$6,075,000
390.XXXX.0620	INTEREST	\$5,111,488	\$5,712,752	\$5,522,549	\$5,298,697
TOTAL EXPENDITURES		\$40,952,534	\$43,939,089	\$44,556,974	\$46,014,746

Note: Immaterial rounding differences may exist between tables.

CAPITAL CONSTRUCTION FUND

The Capital Construction Fund consists 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. Bond projects will strive to create an Equitable Learning Environment for all students. This 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**
 - 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 building facilities to current Seismic Code
 - Upgrade elementary school playgrounds
 - Install cameras and GPS systems on District School Buses
- **Renovate and Repair Aging Schools**
 - 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

THE 2017 HSD BOND - Costs and Oversight

If passed, the bond would:

Maintain Current Tax Rate

- Renew the existing tax rate (\$2.24/\$1000 assessed value) and would not increase the current property tax rate.

Be Part of a Long-Term Plan

- The 2017 Bond would be part of a long-term plan to maintain and improve our school facilities.
- All projects undertaken with the 2006 bond were completed on-time and on- or under-budget.

Provide Independent Oversight

- An independent citizen Bond Oversight Committee would monitor the progress of the bond, issue regular reports and ensure that projects are being managed responsibly.
- The bond would require at least 90 percent of the money raised be spent on construction and repair projects, not administration.

- Replace poorest condition portable buildings with permanent modular structures
- Other improvements as identified during construction at all school sites
- Relieve Crowded Classrooms and Plan for Growth
 - 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 School District
 - Build new gymnasiums at elementary schools with Gym-a-cafeteriums
- Provide a Modern Education for Every Student
 - 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

RESOURCES – CONSTRUCTION FUND BY OBJECT

ACCOUNT	DESCRIPTION	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED	2018-19 ADOPTED
4XX.0000.151X	INTEREST ON INVESTMENTS	\$6,025	\$10,449	\$200	\$3,000,000
4XX.0000.5400	BEGINNING FUND BALANCE	\$2,865,775	\$2,245,327	\$1,000,000	\$297,601,698
TOTAL RESOURCES		\$2,871,800	\$2,255,776	\$1,000,200	\$300,601,698

CONSTRUCTION FUND EXPENDITURES BY FUNCTION

ACCOUNT	DESCRIPTION	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED	2018-19 ADOPTED
4XX.2520.XXXX	FISCAL SERVICES	\$7,715	\$260,777	\$128,800	\$0
4XX.2660.XXXX	TECHNOLOGY	\$0	\$0	\$0	\$250,000
4XX.4150.XXXX	BUILDING ACQUISITIONS	\$208,294	\$237,841	\$871,400	\$85,957,119
4XX.4180.XXXX	OTHER CAPITAL PURCHASES	\$0	\$0	\$0	\$6,130,000
4XX.5110.XXXX	LONG TERM DEBT SERVICE	\$410,463	\$410,463	\$0	\$0
4XX.6110.XXXX	OPERATING CONTINGENCY	\$0	\$0	\$0	\$5,000,000
4XX.7000.XXXX	UNAPPROPRIATED ENDING BALANCE	\$2,245,328	\$1,336,248	\$0	\$203,264,579
TOTAL EXPENDITURES		\$2,871,800	\$2,245,329	\$1,000,200	\$300,601,698

CONSTRUCTION FUND EXPENDITURES BY OBJECT

ACCOUNT	DESCRIPTION	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED	2018-19 ADOPTED
4XX.0000.0112	REG CLASSIFIED SALARIES	\$0	\$52,000	\$50,000	\$75,100
4XX.0000.0113	REG ADMIN SALARIES	\$104,502	\$46,930	\$175,000	\$400,000
4XX.0000.0114	REG SUPERTECH SALARIES	\$0	\$0	\$0	\$75,000
4XX.0000.0130	OTHER SALARIES	\$0	\$0	\$0	\$27,500
4XX.0000.0200	EMPLOYEE BENEFITS	\$44,728	\$46,385	\$45,000	\$0
4XX.0000.0213	PERS UAL CONTRIBUTION	\$0	\$0	\$20,000	\$92,500
4XX.0000.0216	PERS EMPLOYER-TIER III	\$0	\$0	\$0	\$33,500
4XX.0000.0220	SOCIAL SECURITY ADMIN	\$0	\$0	\$23,000	\$42,000
4XX.0000.0231	WORKERS' COMPENSATION	\$0	\$0	\$1,200	\$2,800
4XX.0000.0232	UNEMPLOYMENT COMPENSATION	\$0	\$0	\$300	\$550
4XX.0000.0240	MEDICAL/DENTAL INSURANCE	\$0	\$0	\$45,900	\$72,250
4XX.0000.0324	RENTAL EXPENSE	\$1,740	\$1,740	\$0	\$0
4XX.0000.0340	TRAVEL	\$0	\$0	\$0	\$8,550
4XX.0000.0354	ADVERTISING	\$0	\$165	\$0	\$8,550
4XX.0000.0355	PRINTING & BINDING	\$2,092	\$2,597	\$0	\$8,550
4XX.0000.0383	ARCHITECT/ENGINEER SERVCS	\$0	\$0	\$10,000	\$8,540,000
4XX.0000.0390	OTHER GEN PROF & TECH SRV	\$62,233	\$150,549	\$0	\$7,060,000
4XX.0000.0410	SUPPLIES & MATERIALS	\$0	\$1,251	\$1,000	\$10,500
4XX.0000.0460	NON-CONSUMABLE ITEMS	\$0	\$0	\$28,800	\$2,100,000
4XX.0000.0461	<\$5000 EQUIPMENT	\$0	\$197,001	\$100,000	\$2,675,000
4XX.0000.0470	COMPUTER SOFTWARE	\$715	\$0	\$0	\$295,000
4XX.0000.0480	COMPUTER HARDWARE	\$0	\$0	\$0	\$4,200,000
4XX.0000.0481	<\$5000 COMPUTER HARDWARE	\$0	\$0	\$0	\$35,500
4XX.0000.0520	BUILDINGS ACQUISITION	\$0	\$0	\$0	\$50,134,269
4XX.0000.0530	IMPROV OTHER THAN BLDGS	\$0	\$0	\$500,000	\$8,125,000
4XX.0000.0540	CAPITAL EQUIPMENT	\$0	\$0	\$0	\$815,000
4XX.0000.0562	BUS GARAGE	\$0	\$0	\$0	\$4,250,000
4XX.0000.0610	REDEMPTION OF PRINCIPAL	\$368,960	\$385,912	\$0	\$0
4XX.0000.0621	INTEREST	\$41,501	\$24,551	\$0	\$0
4XX.0000.0670	TAXES & LICENSES	\$0	\$0	\$0	\$3,250,000
4XX.0000.0810	PLANNED RESERVE	\$0	\$0	\$0	\$5,000,000
4XX.0000.0820	RESERVED FOR NEXT YEAR	\$2,245,329	\$1,346,695	\$0	\$203,264,579
TOTAL EXPENDITURES		\$2,871,800	\$2,255,776	\$1,000,200	\$300,601,698

Note: Immaterial rounding differences may exist between tables.

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 transfers \$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 will occur in 2018-19, exhausting 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	2015-16 ACTUAL	2016-17 ACTUAL	2017-18 ADOPTED	2018-19 ADOPTED
RESOURCES					
XXX.0000.1990	MISCELLANEOUS REVENUE	\$0	\$0	\$0	\$0
XXX.0000.5200	INTERFUND TRANSFER	\$500,000	\$0	\$0	\$0
XXX.0000.5400	BEGINNING FUND BALANCE	\$1,500,000	\$2,000,000	\$2,000,000	\$1,000,000
TOTAL RESOURCES		\$2,000,000	\$2,000,000	\$2,000,000	\$1,000,000
EXPENDITURES					
XXX.0000.0790	TRANSFER TO GENERAL FUND	\$0	\$0	\$1,000,000	\$1,000,000
XXX.0000.0820	PERS RESERVE	\$2,000,000	\$2,000,000	\$1,000,000	\$0
TOTAL EXPENDITURES		\$2,000,000	\$2,000,000	\$2,000,000	\$1,000,000



100	GENERAL FUND	\$223,904,035
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SPECIAL REVENUE FUNDS

140	ENERGY EFFICIENT SCHOOLS SB 1149	\$375,000
141	OREGON FIRST ROBOTICS	\$30,000
146	ENHANCEMENT IDEA	\$12,800
154	CONFUCIUS CLASSROOM	\$20,000
156	ENERGY TRUST INCENTIVES	\$36,000
161	CHESS FOR SUCCESS	\$15,000
168	EXTENDED ASSESSMENT	\$9,000
169	MEDICAID ADMINISTRATION CLAIMING	\$625,000
170	CONSTRUCTION EXCISE TAX	\$3,000,000
192	STUDENT BODY FUNDS	\$4,687,030
196	SYSTEMS PERFORMANCE REVIEW	\$16,927
198	OREGON DEPARTMENT OF HUMAN SERVICES	\$138,000
199	REGIONAL AUTISM SERVICES	\$625,400
2XX	OTHER RESTRICTED GRANTS	\$2,687,978
202	HILLSBORO SCHOOLS FOUNDATION	\$200,000
203	TITLE I SUMMER MIGRANT	\$280,000
205	TITLE VI	\$25,000
208	TITLE IA/IMPROVING AMERICA'S SCHOOLS ACT (IASA)	\$4,216,000
212	TITLE IC (MIGRANT)	\$990,000
213	TITLE IC PRESCHOOL-MIGRANT	\$83,700
218	TITLE III	\$461,000
221	TITLE IIA IMPROVE TEACHER QUALITY	\$593,000
222	TITLE I/PERKINS VOCATIONAL TECHNOLOGY	\$168,300
223	CTE REVITALIZATION GRANT	\$435,000
225	SECONDARY CAREER PATHWAYS	\$208,000
226	MY FUTURE MY CHOICE	\$33,000
231	IDEA (PL 101-476)	\$2,945,000
240	MEYER MEMORIAL GRANT	\$35,000
242	MCKINNEY VENTO	\$60,000
245	CCD/TEEN MOM GRANT	\$320,000
246	WORK SYSTEMS SUMMER PROGRAM	\$358,500
259	PHYSICAL EDUCATION EXPANSION K-8	\$50,000
270	NIKE GRANT	\$270,000



275	DONATIONS FUND	\$1,250,000
277	NUTRITION SERVICES FUND (formerly 217 and 500)	\$9,476,000
283	SYNOPSIS	\$35,000
284	WASHINGTON COUNTY-FAMILY RESOURCE CENTER	\$180,000
286	INTEL FOUNDATION GRANTS	\$40,000
288	KINDERGARTEN PARTNERSHIP GRANT	\$200,000
289	PRE-SCHOOL PROMISE GRANT	\$115,000
298	M98 CCR AND DROP-OUT PREVENTION	\$3,200,000
299	TRANSPORTATION EQUIPMENT FUND	\$1,500,000
Total Special Revenue Funds		\$40,005,635

DEBT SERVICE FUNDS

300	HSD 1 DEBT SERVICE FUNDS	\$46,014,746
Total Debt Service Funds		\$46,014,746

CAPITAL PROJECTS FUNDS

4XX	CONSTRUCTION FUND-2017	\$300,601,698
Total Capital Projects Funds		\$300,601,698

INTERNAL SERVICE FUNDS

*	PERS RESERVE FUND	\$1,000,000
Total Internal Service Funds		\$1,000,000

* Reclassified per 2010-11 GAAP

TOTAL BUDGET ALL FUNDS		\$611,526,114
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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. So 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.)



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AFFIDAVIT OF PUBLICATION

State of Oregon, County of Washington, SS I,
Charlotte Allsop, being the first duly sworn,
depose and say that I am the Accounting
Manager of the **Forest Grove News Times,
Hillsboro Tribune**, a newspaper of general
circulation, serving Forest Grove, Hillsboro in
the aforesaid county and state, as defined
by ORS 193.010 and 193.020, that

**HILLSBORO SCHOOL DISTRICT
Notice of Budget Committee Meeting
Ad#: 40843**

A copy of which is hereto annexed, was
published in the entire issue of said
newspaper(s) for 2 week(s) in the
following issue(s):

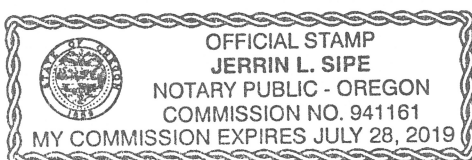
04/04/2018, 04/11/2018

Charlotte Allsop (Accounting Manager)

Subscribed and sworn to before me this
04/11/2018.

NOTARY PUBLIC FOR OREGON

Acct #: 111990
Attn: JOLENE SAUVE
HILLSBORO SCHOOL DISTRICT
3083 NE 49TH PL
HILLSBORO, OR 97124



NOTICE OF BUDGET COMMITTEE MEETING

A public meeting of the Budget Committee of Hillsboro School District 1J, Washington County, State of Oregon, to discuss the budget for the fiscal year July 1, 2018, to June 30, 2019, will be held at the district's Administration Center, 3083 NE 49th Place, Hillsboro, Oregon. The meeting will take place on the 24th day of April 2018, at 6:00 p.m.

The purpose of the meeting is to receive the budget message and to receive comment from the public on the budget. This is a public meeting where deliberation of the Budget Committee will take place. Any person may appear at the meeting and discuss the proposed programs with the Budget Committee.

A copy of the budget document may be inspected or obtained on or after April 23, 2018, at 3083 NE 49th Place, Hillsboro, Oregon, between the hours of 8:00 a.m. and 5:00 p.m. A copy of this notice is also posted on the Hillsboro School District website at www.hsd.k12.or.us.

**** BUDGET MAY BE APPROVED AT THIS MEETING**
Publish 04/04, 04/11/2018. HT40843

HILLSBORO SCHOOL DISTRICT BOARD OF DIRECTORS—MINUTES
April 24, 2018
District Administration Center, 3083 NE 49th Place, Hillsboro, Oregon

1. EXECUTIVE SESSION

ORS 192.660(2)(i)—Evaluation of the Superintendent

Board Present:

Lisa Allen, Chair

Kim Strelchun, Vice Chair

Martin Granum

Erika Lopez

Yadira Martinez

Jaci Spross

Mark Watson

Administration / Staff Present:

Mike Scott, Superintendent

Val Bokma, Assistant to the Board

Board Chair Lisa Allen called the meeting to order at 5:02 PM, and moved the Board into executive session under ORS 192.660(2)(i) – evaluation of the Superintendent. The Board discussed the Superintendent's evaluation with the Superintendent. No action was taken. Board Chair Allen moved the Board out of executive session and recessed the meeting at 5:19 PM.

2. WORK SESSION

Board Present:

Lisa Allen, Chair

Kim Strelchun, Vice Chair

Martin Granum

Erika Lopez

Yadira Martinez

Jaci Spross

Mark Watson

Staff Present:

Mike Scott, Superintendent

Travis Reiman, Assistant Superintendent, Academic Services

Dayle Spitzer, Assistant Superintendent, School Performance

Beth Graser, Chief Communications Officer

Kona Lew-Williams, Chief Human Resources Officer

Michelle Morrison, Chief Financial Officer

Casey Waletich, Chief Operations Officer

Val Bokma, Assistant to the Board

Devin Hunter, Technology Support

Board Chair Lisa Allen called the meeting to order at 5:22 PM.

a. School Safety Discussion

Superintendent Mike Scott and Chief Operations Officer Casey Waletich presented an overview of the District's current safety protocols, preventative practices, partnerships, resources, and plans for implementing additional security measures. A follow-up report and discussion will be scheduled during a future Board meeting.

b. Recess Board Meeting

The meeting was recessed at 6:04 PM.

3. 2018-19 BUDGET COMMITTEE MEETING (SPECIAL SESSION)

Budget Committee Present:

Lisa Allen, Chair
Elizabeth Christensen
Christopher Clark
Alexander Diaz
Martin Granum
Matthew Long
Erika Lopez
Yadira Martinez
Heather Monaghan
Michael Smith
Jaci Spross
Kim Strelchun
Mark Watson

Staff Present:

Mike Scott, Superintendent
Travis Reiman, Assistant Superintendent, Academic Services
Dayle Spitzer, Assistant Superintendent, School Performance
Beth Graser, Chief Communications Officer
Kona Lew-Williams, Chief Human Resources Officer
Michelle Morrison, Chief Financial Officer
Casey Waletich, Chief Operations Officer
Val Bokma, Assistant to the Board
Devin Hunter, Technology Support

Board Chair Lisa Allen called the meeting of the Budget Committee to order at 6:04 PM. Budget Committee member Nina Carlson was not able to attend the meeting.

Ms. Allen called for a motion to approve the agenda. Kim Strelchun MOVED, SECONDED by Erika Lopez, to approve the agenda as printed. The MOTION CARRIED (11-0). (Budget Committee members Elizabeth Christensen and Matthew Long were not present during the vote.)

Superintendent Mike Scott and Chief Financial Officer Michelle Morrison presented an overview of the District's budget process, including the role of the Budget Committee and the factors that were considered in the development of the proposed budget. They explained that the goal was to develop a proposed budget that is sustainable for the 2018-19 year; the proposed budget is based on an \$8.2 billion statewide K-12 biennial funding level (50/50 biennial split), which will require a reduction of \$3.6 million from the District's current service level budget; and the actual statewide K-12 funding level cannot be predicted, since there is considerable uncertainty regarding State School Fund revenue in legislative years.

Ms. Allen called for nominations for the Budget Committee Chair. Kim Strelchun nominated Lisa Allen. Hearing no further nominations, Ms. Allen closed the nominations and called for the vote. The vote was 13-0 in favor of Lisa Allen. Ms. Allen continued chairing the meeting, and asked Superintendent Scott to read the budget message.

Superintendent Scott read the following budget message into the record.

Dear Hillsboro School District Budget Committee Members and Patrons:

In accordance with ORS 294.391, I am submitting to you the Hillsboro School District IJ proposed 2018-19 budget.

Last year, when I presented the 2017-18 proposed budget, the State Legislature had not yet finalized its K-12 funding allocation for the 2017-19 biennium. We elected to move forward with an assumed allocation of \$8.15 billion, which meant reductions in the Hillsboro School District of approximately \$7.5 million.

At that time, hope was being held out for the possibility of a higher allocation to K-12, made possible by compromises around revenue reform and cost containment at the state level. Unfortunately, the bills representing those compromises were not successful; however, the final biennial allocation to K-12 education was \$8.2 billion.

Even though the allocation was \$50 million more than the amount that HSD's budget was built upon, we were unable to lessen the impact of reductions because there was a 50/50 split of funds over the biennium - as opposed to the typical 49/51 split - and we need the additional funds to help cover anticipated shortfalls in the 2018-19 school year.

Because state revenue projections have been relatively flat, and we are heading into the second year of the biennium, there were no changes to the 2017-19 K-12 budget during the 2018 short session. Furthermore, our student enrollment has fallen short of projections for the last two years, while student enrollment across the state has increased, thereby reducing the amount of state funding that we receive for each student.

As a result of these factors, we are, once again, in a reduction mode for the 2018-19 school year.

We estimate our shortfall to be \$3,679,289, which already accounts for the utilization of the last \$1 million in our PERS Reserve Fund and the further reduction of our Ending Fund Balance to 4 percent after the 2018-19 school year.

We propose managing the shortfall in two primary ways:

Leveraging other funds:

- *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:

- *Staffing, salaries, and benefits reductions - **\$2,449,289***

Because we are in the process of bargaining with both of our employee groups, Hillsboro Education Association (HEA, licensed staff) and Hillsboro Classified United (HCU, classified staff), we have built some assumptions and variables into our estimated shortfall. Depending upon the agreements made with our employee groups, our shortfall may increase or decrease. Our goal in this process, as always, is to provide a fair total compensation package to staff while being good stewards of the public's money and delivering the best possible education to our students.

Over the course of this school year, we continued in our Smarter School Spending (S3) process and looked deeply at all areas of our system for opportunities to operate more efficiently. This work has changed the way our central office administrators think about and analyze their current or proposed efforts, and it will continue to be an important element in these processes.

This year, for the first time, we are including a Strategic Financial Plan in our budget document. The Strategic Financial Plan outlines our approach to resource

management and helps us identify what is required to remain focused on investments that increase student achievement. The plan is included on pages 5-10 of the Proposed Budget.

A couple of bright spots in our funding situation center around career and college pathways and our capital construction bond.

In the 2017-18 school year, the District received \$2.9 million through Measure 98 - the High School Graduation and College and Career Readiness Act of 2016. This money funded student support and wellness counselors and an additional graduation coach at each high school, allowed us to run an 8.5 summer bridge program for students entering ninth grade who could benefit from extra support, and bought planning time for the expansion of career and technical education (CTE) programming at each high school. We will receive \$3 million in the 2018-19 school year to continue this work and to support actual program expansion.

In December 2017, we also learned that we had been awarded \$434,000 in CTE Revitalization Grants from the Oregon Department of Education to support a major expansion of the Bioscience Technologies program at Hilhi (\$343,100) and to create a CTE Innovation Summer Camp for Latino and other historically underserved middle school students (\$90,900).

Additionally, our \$408 million capital construction bond, approved by voters in November 2017, includes \$14 million for the expansion of CTE programs at our high schools over the next five years.

Together, all of these funds will allow us to increase CTE opportunities for students.

As we head toward the fall and into the 2019 Legislative Session, we will again turn our focus to advocating for stable and adequate funding for education. With our PERS Reserve Fund now depleted, our Ending Fund Balance at 4 percent, and costs continuing to escalate each year, we know we are in need of a significant allocation increase at the state level. This allocation should not only take into account regular roll-up costs and PERS employer rate increases, but should also reflect our values around education. If we are truly committed to doing what is best for all of our students and helping them achieve at high levels, our investment needs to match our expectations.

As always, I truly appreciate the hard work of our students and staff, and the support of our parents and community partners. Please continue to stay informed and engaged in the year to come.

Respectfully submitted,

*Mike Scott
Superintendent*

Following the reading of the budget message, Chief Financial Officer Michelle Morrison presented the proposed budget, highlighting key points throughout the document and responding to Budget Committee members' questions.

Budget Committee members discussed various elements of the proposed budget, funding challenges for school districts, and the importance of advocating for stable and adequate funding.

Budget Committee Chair Lisa Allen invited public comments. Three requests to address the Budget Committee were received.

- Jill Golay discussed the importance of funding safety supports for students, emphasizing the importance of adequate staff and facilities for students who need additional support.
- Chris Adzima discussed the importance of adequate funding for talented and gifted students.
- Angela Adzima discussed the impact of class size on student safety and success.

Budget Committee members discussed the importance of class size, the need to access other funding sources to supplement inadequate state school funding, the District's history of multiple years of budget cuts, and the importance of communicating regarding the District's funding situation and advocating for stable and adequate school funding.

Jaci Spross moved that the Hillsboro School District 1J budget for 2018-19 in the aggregate amount of \$611,526,114 (total of all funds) be approved as proposed, and that the permanent tax rate of \$4.9749 per \$1,000 of assessed value be assessed in support of the General Fund. This permanent rate is expected to raise \$73,561,067. Ms. Spross further moved that tax levies totaling \$34,451,602 be approved for the debt service fund for the purpose of the retirement of bonded debt owed by the District. The MOTION was SECONDED by Kim Strelchun. The MOTION CARRIED (13-0).

Budget Committee Chair Lisa Allen explained that the approved 2018-19 budget will be presented to the Board for public hearing and adoption during the regular Board meeting in June.

The Budget Committee meeting was adjourned at 7:15 PM.

REGULAR SESSION

Board Present:

Lisa Allen, Chair
Kim Strelchun, Vice Chair
Martin Granum
Erika Lopez
Yadira Martinez
Jaci Spross
Mark Watson

Others Present:

Rob Saxton, NWRES
Lisa Poehlitz, NWRES
Jill Golay, HEA
Melody Hansen, HCU

Staff Present:

Mike Scott, Superintendent
Travis Reiman, Assistant Superintendent, Academic Services
Dayle Spitzer, Assistant Superintendent, School Performance
Beth Graser, Chief Communications Officer
Kona Lew-Williams, Chief Human Resources Officer
Michelle Morrison, Chief Financial Officer
Casey Waletich, Chief Operations Officer
Don Wolff, Chief Information Officer
Elaine Fox, Executive Director, Student Services
Carol Hatfield, Executive Director, Transportation
Gregg O'Mara, Director, Alternative Education
Leah McCarthy, Risk Manager
Val Bokma, Assistant to the Board
Martha Méndez Bolaños, Bilingual Interpreter / Translator
Gaspar Lopez Lopez, Bilingual Interpreter / Translator
Devin Hunter, Technology Support

4. **Call to Order and Flag Salute**

Board Chair Lisa Allen reconvened the meeting at 7:30 PM and led the Pledge of Allegiance.

5. **Approval of Agenda**

Director Erika Lopez asked that policy AC: Nondiscrimination be removed from the consent agenda to be considered separately.

Director Jaci Spross MOVED, SECONDED by Director Kim Strelchun, to approve the agenda as amended. The MOTION CARRIED (7-0).

6. **Audience Time**

No audience members asked to address the Board.

7. **REPORTS AND DISCUSSION**

a. **NWRES Update**

Northwest Regional Education Service District (NWRES) Superintendent Rob Saxton and Director Lisa Poehlitz presented information regarding NWRES's mission, values, goals, and accomplishments. They also explained that NWRES is currently in the process of refreshing its Strategic Plan, and invited the Hillsboro School District Board of Directors to provide input regarding NWRES's Strategic Plan goals. NWRES's refreshed Strategic Plan is tentatively scheduled for adoption in September 2018.

b. **Financial Report**

Chief Financial Officer Michelle Morrison presented the monthly financial report. Risk Manager Leah McCarthy discussed the new format for reporting student incidents. The financial report is included in the Board meeting packet.

c. Policies—First Reading

The following policies were presented for first reading, and are included in the Board meeting packet. If no public comments or questions are received regarding these policies during the review period, they may be placed on the consent agenda for approval during the next regular Board meeting session.

- 1) Policies Regarding Controlled Substances
 - a) Policy JFCG/JFCH/JFCI: Use of Tobacco Products, Alcohol, Drugs and Inhalant Delivery Systems
 - b) Policy GBK/KGC: Prohibited Use, Distribution or Sale of Tobacco Products and Inhalant Delivery Systems
- 2) Policies Regarding Medications
 - a) Policy JHCD: Nonprescription Medication (Delete)
 - b) Policy JHCDA: Prescription Medication (Delete)
 - c) Policy JHCD/JHCDA: Medications (Proposed)
 - d) JHCD/JHCDA-AR: Medications (Revised)
- 3) Policy GBH/JECAC: Staff/Student/Parent Relations
- 4) Policy EEA: Student Transportation Services

Director Jaci Spross requested additional revisions to JHDC/JHCDA and JHDC/JHCDA-AR to improve the clarity and consistency of the language.

8. CONSENT AGENDA

Consent agenda items are distributed to Board members in advance for study, and enacted with a single motion.

Director Jaci Spross MOVED, SECONDED by Director Kim Strelchun, to approve the Consent Agenda as amended.

The MOTION CARRIED (7-0).

Consent Agenda items were as follows:

- a. Approve Minutes of March 13, 2018, Board Meeting
- b. Approve Routine Personnel Matters
- c. Accept Donations
- d. Approve Contractor Prequalification
- e. Approve New High School Course Proposals (presented for first reading on March 13, 2018)
 - 1) Link Crew
 - 2) IB Global Politics
 - 3) IB Business Management
 - 4) IB Sports, Exercise, and Health Services
 - 5) AP Spanish Literature and Culture
- f. Approve Policy Revisions
 - 1) Policies Regarding Complaints (presented for first reading on February 27, 2018)
 - a) AC-AR: Discrimination Complaint Procedure
(Policy AC: Nondiscrimination was removed from the consent agenda to be considered individually)
 - b) Policy JFH: Student Complaints
 - 2) Policies Regarding Communicable Diseases (presented for first reading on March 13, 2018)
 - a) Policy GBEB and GBEB-AR: Communicable Diseases – Staff
 - b) Policy JHCC and JHCC-AR: Communicable Diseases – Students

- c) JHCC-AR-1: Procedures for Dealing with Students Having HIV, AIDS, or HBV (Delete)
- d) JHCC/GBEB-AR-2: Communicable Diseases (Delete)

Chief Human Resources Officer Kona Lew-Williams presented a summary of previous discussions regarding policy AC: Nondiscrimination; and presented the District's most recent draft markup of the policy, which adds a footnote referencing the Immigration and Nationality Act, based on previous discussions with Board members. Chief Human Resources Officer Lew-Williams explained that OSBA recommends that policy AC not include this additional language, but include only protected classes that are defined by state and federal law and required by law to be included in policy.

Board members who participated in the discussion expressed support for including language in Board policy that prohibits discrimination related to citizen and immigration status, in accordance with the District's value of supporting students; and they asked for additional information regarding their options for accomplishing this. District staff will gather information from additional resources.

Director Erika Lopez MOVED, SECONDED by Director Jaci Spross, to postpone the approval of policy AC until the May 22 or June 26 Board meeting, with further discussion during the May 22 work session. The MOTION CARRIED (7-0).

9. ACTION ITEMS

a. Approve Inter-District Transfers

Chief Communications Officer Beth Graser presented a list of the slots that are available at specific schools for the House Bill 2747 inter-district transfer process. She recommended that the District participate in this process, opening a total of 30 Hillsboro School District slots, with a limited number of openings identified at specific schools. She recommended that up to four (4) kindergarten slots be opened districtwide, with placements to be finalized in August, based on available space.

Director Jaci Spross MOVED, SECONDED by Director Martin Granum, to adopt the plan presented for inter-district transfers for the 2018-19 school year. The MOTION CARRIED (7-0).

b. Approve 2018-19 Alternative Education Programs

Director of Alternative Education Gregg O'Mara presented the annual review of the alternative education programs available to Hillsboro School District students, and asked the Board to formally approve the programs for the 2018-19 school year. A list of the programs is included in the Board meeting packet.

Director Yadira Martinez MOVED, SECONDED by Director Erika Lopez, to approve the District's 2018-19 alternative programs. The MOTION CARRIED (7-0).

c. Approve Financing of School Buses

Chief Financial Officer Michelle Morrison explained that the District has an ongoing schedule to replace buses that no longer meet emissions standards and asked the Board to approve the financing of eleven (11) vehicles – including ten (10) conventional buses and one (1) large (box) courier van.

Director Kim Strelchun MOVED, SECONDED by Director Jaci Spross, to approve the financing of eleven (11) vehicles on a five-year lease, with an annual payment of

\$244,068, and adopt a resolution for reimbursement, as required by U.S. Bank Government Leasing. The MOTION CARRIED (7-0).

- d. Amend Authorization and Award Contract for CM/GC Services for Reedville Elementary School Renovations to INLINE Construction at a Not-to-Exceed Cost of \$5,200,000

Chief Operations Officer Casey Waletich explained that, during the January 23, 2018, Board meeting, the Board awarded the Construction Management/General Contractor (CM/GC) contract for the Reedville Elementary School renovation project to INLINE Construction. However, the award resolution did not include the not-to-exceed cost of the project, because this information was not yet available. Chief Operations Officer Waletich asked the Board to include the not-to-exceed cost of \$5,200,000 in the contract award to INLINE Construction.

Director Jaci Spross MOVED, SECONDED by Director Kim Strelchun, to amend the authorization previously adopted, awarding the contract for CM/GC services for Reedville Elementary School renovations to INLINE Construction at a cost not to exceed \$5,200,000. The MOTION CARRIED (7-0).

- e. Amend Authorization and Award Contract for Site Work Contracted Services at Glencoe High School and Hillsboro High School for Synthetic Turf Fields and Track at a Not-to-Exceed Cost of \$4,675,200 to Bernhardt Golf

Chief Operations Officer Casey Waletich explained that, during the March 13, 2018, Board meeting, the Board awarded the contract for site work contracted services for the Glencoe High School and Hillsboro High School field renovation projects to Bernhardt Golf. However, the award resolution did not include the not-to-exceed costs of these projects, because this information was not yet available. Chief Operations Officer Waletich asked the Board to include the not-to-exceed cost of the projects in the award to Bernhardt Gold. The not-to-exceed cost for site work contracted services for the synthetic turf field project at Glencoe High School is \$2,147,050. The not-to-exceed cost for site work contracted services for the synthetic turf field and track project at Hillsboro High School is \$2,508,150.

Director Martin Granum MOVED, SECONDED by Director Erika Lopez, to amend the authorizations previously adopted, as follows:

- Award the contract for site work contracted services for the synthetic turf field project at Glencoe High School at a cost not to exceed \$2,147,050 to Bernhardt Golf.
- Award the contract for site work contracted services for the synthetic turf field and 6-lane track project at Hillsboro High School at a cost not to exceed \$2,508,150 to Bernhardt Golf.

The MOTION CARRIED (7-0).

- f. Award Turf Contract for Glencoe High School and Hillsboro High School Field Renovation Projects to Fieldturf

Chief Operations Officer Casey Waletich asked the Board to award the turf contract for Glencoe High School for \$708,566.50 and Hillsboro High School for \$500,460.19 to Fieldturf. The Board of Directors, acting as the Local Contract Review Board, approved the use of an alternative procurement method for the site work for synthetic fields on January 23, 2018.

Director Martin Granum MOVED, SECONDED by Director Jaci Spross, to award the turf contract for Glencoe High School for \$708,566.50 and Hillsboro High School for \$500,460.19 to Fieldturf. The MOTION CARRIED (7-0).

g. Award Contracts for Roofing Projects at Tobias Elementary School, Peter Boscow, and North Plains Elementary School

Chief Operations Officer Casey Waletich explained that the District has identified portions of roofs on three buildings that will be replaced during the summer of 2018, as part of the bond program. These buildings are Tobias Elementary School, the Peter Boscow gymnasium, and North Plains Elementary School.

Director Mark Watson MOVED, SECONDED by Director Martin Granum, to award contracts for the roofing projects described in the Board meeting packet, as follows:

- Award contract for roof areas 2-15 at Tobias Elementary School to Anderson Roofing, in the amount of \$842,174;
- Award contract for roof areas 1-8 at the Peter Boscow gymnasium to Anderson Roofing, in the amount of \$243,688;
- Award contract for roof area 1 at North Plains Elementary School to Griffith Roofing, in the amount of \$186,712.

The MOTION CARRIED (7-0).

10. HCU/HEA Reports

HCU Vice President of Bargaining Melody Hunter discussed classified bargaining, the importance of having competitive compensation packages, and the role of seniority and other factors in the interview and candidate selection process.

HEA President Jill Golay discussed recent and upcoming HEA and District activities, the May election in Washington County, notification of teacher assignments for the 2018-19 school year, and the scheduling of music programs.

11. Superintendent's Time

Superintendent Mike Scott provided information regarding upcoming events for the Board's community engagement project; and commended staff members for their accomplishments.

12. Board of Directors' Time

Board members discussed their plans for participating in el Día de los Niños at Centro Cultural on April 30; expressed appreciation for the District's community partners, including the Hillsboro Chamber of Commerce and Hillsboro Schools Foundation; expressed their interest in scheduling meetings with local city officials (Hillsboro, Cornelius, and North Plains); commended staff and students for outstanding accomplishments; and provided brief summaries of their recent and upcoming activities. Director Mark Watson said that he would probably not be available to attend the May 8 Board work session.

13. Follow-Up Items

Agenda Item / Request	Action
Gather additional information regarding policy AC revisions	Will be presented on May 22
Schedule meetings with local city officials	In process for 2018-19

14. Executive Session

No executive session was called.

15. Adjournment

The meeting was adjourned at 9:18 PM.



Approved May 22, 2018

Pamplin MediaGroup

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E-mail: legals@commnewspapers.com

AFFIDAVIT OF PUBLICATION

State of Oregon, County of Washington, SS I,
Charlotte Allsop, being the first duly sworn,
depose and say that I am the Accounting
Manager of the Forest Grove News Times,
Hillsboro Tribune, a newspaper of general
circulation, published at Forest Grove, Hill-
sboro, in the aforesaid county and state, as
defined by ORS 193.010 and 193.020, that

Ad#: 52516

Owner: Hillsboro School District

Description: Ford ED-1 Notice of Budget
Hearing

A copy of which is hereto annexed, was
published in the entire issue of said
newspaper for 2 week(s) in the
following issue:

06/13/2018

Charlotte Allsop

Charlotte Allsop (Accounting Manager)

Subscribed and sworn to before me this
06/13/18

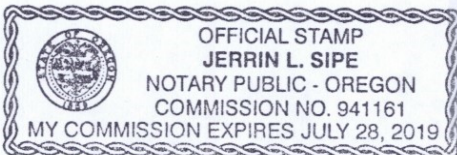
Jerrin L. Sipe

NOTARY PUBLIC FOR OREGON

Acct #: 111990

Attn:

HILLSBORO SCHOOL DISTRICT
3083 NE 49TH PL
HILLSBORO, OR 97124



FORM ED-1 (WC) - School (Primary and Secondary Only) and Education Service Districts

Governing Body Name: HILLSBORO SCHOOL DISTRICT 1J

FORM ED-1

NOTICE OF BUDGET HEARING

A public meeting of the Hillsboro School District 1J will be held on June 16, 2018, at 7:30 p.m. at 3083 NE 49th Place, Hillsboro, Oregon. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2018, as approved by the Hillsboro School District 1J Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected at 3083 NE 49th Place, Hillsboro, Oregon, between the hours of 8:00 a.m. and 4:00 p.m. or online at <http://www.hsd.k12.or.us/AboutHSD/PublicDataPortal/BudgetMatters.aspx>. This budget is for an annual budget period. This budget was prepared on a basis of accounting that is the same as the basis of accounting used during the preceding period.

Contact: Michelle Morrison, Chief Financial Officer

Telephone: 503-844-1500

Email: [morisom@hsd.k12.or.us](mailto:morrisom@hsd.k12.or.us)

FINANCIAL SUMMARY - RESOURCES

TOTAL OF ALL FUNDS	Actual Amount 2016-17	Adopted Budget This Year 2017-18	Proposed Budget Next Year 2018-19	Approved Budget Next Year 2018-19
1. Beginning Fund Balance	\$29,099,270	\$18,318,954	\$318,347,925	\$318,347,925
2. Current Year Property Taxes, other than Local Option Taxes	\$100,213,323	\$102,582,090	\$107,222,387	\$107,222,387
3. Current Year Local Option Property Taxes	\$0	\$0	\$0	\$0
4. Other Revenue from Local Sources	\$22,507,547	\$24,142,917	\$27,016,090	\$27,016,090
5. Revenue from Intermediate Sources	\$5,143,721	\$4,509,686	\$5,047,545	\$5,047,545
6. Revenue from State Sources	\$128,504,147	\$135,124,238	\$134,721,985	\$134,721,985
7. Revenue from Federal Sources	\$16,066,023	\$14,726,811	\$16,061,819	\$16,061,819
8. Interfund Transfers	\$0	\$0	\$0	\$0
9. All Other Budget Resources	\$1,268,765	\$2,333,903	\$3,108,363	\$3,108,363
10. Total Resources	\$302,802,796	\$301,738,599	\$611,526,114	\$611,526,114
11. Salaries	\$124,126,756	\$128,620,614	\$135,755,056	\$135,755,056
12. Other Associated Payroll Costs	\$60,961,777	\$67,699,923	\$69,979,886	\$69,979,886
13. Purchased Services	\$25,545,456	\$21,521,349	\$40,358,884	\$40,358,884
14. Supplies & Materials	\$17,629,815	\$15,739,693	\$24,383,439	\$24,383,439
15. Capital Outlay	\$2,541,254	\$3,110,293	\$64,149,269	\$64,149,269
16. Other Objects (except debt services & interfund transfers)	\$2,091,290	\$2,409,902	\$5,586,779	\$5,586,779
17. Debt Service*	\$44,143,486	\$45,942,248	\$48,462,428	\$48,462,428
18. Interfund Transfers*	\$0	\$1,000,000	\$1,500,000	\$1,500,000
19. Operating Contingency	\$0	\$0	\$5,000,000	\$5,000,000
20. Unappropriated Ending Fund Balance & Reserves	\$25,762,962	\$15,694,577	\$216,350,373	\$216,350,373
21. Total Requirements	\$302,802,796	\$301,738,599	\$611,526,114	\$611,526,114

FINANCIAL SUMMARY - REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEE (FTE) BY FUNCTION

1000 Instruction	\$132,412,855	\$135,289,987	\$142,752,784	\$142,752,784
FTE	1,302.05	1,301.15	1,296.15	1,296.15
2000 Support Services	\$91,073,411	\$92,069,404	\$94,654,759	\$94,654,759
FTE	665.21	656.21	656.71	656.71
3000 Enterprise & Community Service	\$9,459,435	\$9,620,816	\$10,718,651	\$10,718,651
FTE	64.70	64.70	64.70	64.70
4000 Facility Acquisition & Construction	\$269,989	\$1,121,400	\$92,087,119	\$92,087,119
FTE	1.50	1.50	6.90	6.90
5000 Other Uses				
5100 Debt Service*	\$43,834,591	\$46,942,415	\$48,962,428	\$48,962,428
5200 Interfund Transfers*	\$0	\$0	\$0	\$0
6000 Contingency	\$0	\$0	\$6,500,000	\$6,500,000
7000 Unappropriated Ending Fund Balance	\$25,752,515	\$16,694,577	\$215,850,373	\$215,850,373
Total Requirements	\$302,802,796	\$301,738,599	\$611,526,114	\$611,526,114
Total FTE	2,033.46	2,023.56	2,024.46	2,024.46

STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING FROM LAST YEAR**

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PROPERTY TAX LEVIES

	Rate or Amount Imposed	Rate or Amount Imposed	Rate or Amount Imposed	Rate or Amount Imposed
Permanent Rate Levy (Rate Limit \$4.9749 Per \$1000)	\$4.9749	\$4.9749	\$4.9749	\$4.9749
Local Option Levy	\$0.00	\$0.00	\$0.00	\$0.00
Levy for General Obligation Bonds	\$31,662,107	\$33,583,646	\$34,451,602	\$34,451,602

STATEMENT OF INDEBTEDNESS

	Estimated Debt Outstanding on July 1	Estimated Debt Authorized but not Incurred on July 1
Long Term Debt		
General Obligation Bonds	\$355,230,000	\$139,605,000
Other Bonds	\$117,570,000	\$0
Other Borrowings	\$6,862,935	\$0

Publish June 13, 2018.

HT52516

HILLSBORO SCHOOL DISTRICT 1J
June 26, 2018
ADOPT RESOLUTIONS TO ADOPT 2018-19 BUDGET,
APPROPRIATE 2018-19 BUDGET, AND
IMPOSE 2018-19 TAXES AND CATEGORIZE THE LEVY

SITUATION

The 2018-19 Proposed Budget was presented and approved during the April 24, 2018, Budget Committee meeting. The legal notices have been published, and the Budget Hearing is to be held on June 26, 2018.

After the hearing is closed, and if the budget is not amended, three resolutions are required. The first one establishes the Adopted Budget. The second one authorizes the expenditure of funds starting in July by making appropriations. The third one authorizes the tax levy and categorizes the levy into categories designated in the Oregon Constitution.

RECOMMENDATION

The Superintendent recommends that the Board of Directors take action on the following motion:

I move that the Board of Directors adopt the Resolutions to Adopt the 2018-19 Budget, Appropriate the 2018-19 Budget, and Impose 2018-19 Taxes and Categorize the Levy, as shown in the June 26, 2018, Board meeting packet.

**RESOLUTION TO ADOPT 2018-19 BUDGET,
APPROPRIATE 2018-19 BUDGET, AND
IMPOSE 2018-19 TAXES AND CATEGORIZE THE LEVY**

ADOPTING THE BUDGET

BE IT RESOLVED that the Board of Directors of the Hillsboro School District 1J hereby adopts the budget for fiscal year 2018-19 in the total of \$611,526,114 now on file at the District Administration Center, Hillsboro, Oregon.

RESOLUTION TO MAKE BUDGET APPROPRIATIONS FOR 2018-19

BE IT RESOLVED that the amounts for the fiscal year beginning July 1, 2018, for the purposes shown below, are hereby appropriated:

General Fund

1000	Instruction	129,331,600
2000	Support Services	85,027,904
3000	Enterprise Services	545,334
6000	Contingency	<u>1,500,000</u>
Total Fund Appropriation		216,404,838

Special Revenue Fund

1000	Instruction	13,421,184
2000	Support Services	9,376,855
3000	Enterprise Services	10,173,317
4000	Facilities/Construct	0
5100	Debt Service	<u>2,947,682</u>
Total Fund Appropriation		35,919,038

Debt Service Fund

5000	Debt Service	<u>46,014,746</u>
Total Fund Appropriation		46,014,746

Capital Projects Fund

2000	Support Services	250,000
4000	Facility Construction	92,087,119
6000	Contingency	<u>5,000,000</u>
		97,337,119

PERS Reserve Fund

4000	Facilities/Construct	0
5000	Transfers	1,000,000
6000	Contingency	<u>0</u>
		1,000,000

Total Appropriations	396,675,741
Total Unappropriated	214,850,373
Total Adopted Budget	611,526,114

**RESOLUTION TO IMPOSE AND CATEGORIZE
AD VALOREM TAXES FOR 2018-19**

IMPOSING THE TAX

BE IT RESOLVED that the Board of Directors of the Hillsboro School District 1J hereby imposes the taxes provided for in the Adopted Budget at the rate of \$4.9749 per \$1,000 of assessed value for operations, and in the amount of \$34,451,602 for bonds; that these taxes are hereby imposed and categorized for tax year 2018-19 upon the assessed value of all taxable property within the District as follows:

CATEGORIZING THE TAX

Education Limitation
General Fund \$4.9749 per \$1,000

Excluded from Limitation Debt Service Fund	\$34,451,602
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The above resolution statements were approved and declared adopted on this 26th day of June, 2018.



Lisa Allen, Board Chair



2018-19 Adopted Budget

HILLSBORO SCHOOL DISTRICT 1J

3083 NE 49th Place
Hillsboro, OR 97124

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