Adopted Budget

For Fiscal Year 2016-17

Hillsboro School District 1J
Hillsboro, Oregon

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I feel blessed to be working with HSD because we are working to educate all students and connect them to both their local communities and the world at large.

—Christopher Keller

Teacher, Liberty High School

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May 5, 2016

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 2016-17 budget.

In last year's budget message, I discussed the Legislative Session that was still under way, and some unknowns our District faced as a result. Heading into our annual Budget Hearing in early May 2015, the state was poised to allocate $7.255 billion to K-12 education for the 2015-2017 biennium, which was to fund regular operations, plus the expansion of kindergarten to a full-day program.

We had planned to add $720,000 to our budget to fund graduation coaches and AVID instructional coaches at the secondary level, and to increase funding for athletics, activities, and Talented and Gifted (TAG) programming and options for advanced students.

Then, in June 2015, as a result of House Bill 5017, which called for K-12 education to receive 40 percent of any increase in 2015-2017 revenue projections between the March and June forecasts, K-12 was allocated an additional $100 million for the biennium. This meant approximately $3.6 million more funding for Hillsboro School District ($1.8 million per year). With that additional revenue, we increased the number of PE and Music sections at elementary schools (4.2 additional full-time-equivalent [FTE] positions); extended the calendars for select classified positions, and increased the number of classified discretionary hours at the building level; lowered class size at the middle school level (4.34 additional FTE); and banked a portion of the funds to help offset PERS increases in the 2017-2019 biennium. Our total reinvestment for the 2015-16 school year was $2.44 million, and our intention was for those investments to remain in place for the 2016-17 school year, as well.

In mid-June, Legislative leadership announced that they would increase the K-12 allocation by another $45 million (to $7.4 billion, total), with $18 million going to the State School Fund, and $27 million going to the Common School Fund. Hillsboro's share of the additional allocation was approximately $1.62 million for the biennium ($810,000/year). However, we did not recommend a spending plan for that additional revenue, as it was still unclear what would happen with the state's Gain Share program.

As it turned out, holding off on additional spending was a good decision. Revisions to Gain Share legislation meant that the City of Hillsboro and Washington County would be receiving significantly less revenue through the program than in previous years; and the $1.2 million per year we had budgeted as pass-through money for the 2015-16 and

2016-17 school years was not going to be available to us. The City of Hillsboro has committed to continuing to share a portion of its proceeds with the District, but the money will be in the form of safety enhancements and targeted STEM (Science / Technology / Engineering / Math) and/or Career and College Pathways investments. Washington County will invest a portion of its proceeds in the Safe Routes to Schools program.

Another budgetary blow came when it was announced that a majority of the PERS reforms that had been passed by the Legislature in 2013 were deemed unconstitutional by the Oregon Supreme Court. Then, in July 2015, the PERS Board reduced the Assumed Earnings Rate—the rate of return expected on PERS investments—from 7.75% to 7.5%. Together with poor actual earnings on PERS investments, public employers could be facing rate increases of approximately 8 percent in the 2017-2019 biennium. If this is the case, Hillsboro School District's cost increase would be approximately $8 million per year (2017-18 and 2018-19). While that doesn't affect the 2015-16 or 2016-17 school years, it is definitely something to consider as we budget for 2016-17, and determine what is sustainable moving forward.

A surprising development in the fall was that our enrollment was down 0.3 percent, compared with 2014-15. And because we assumed approximately 0.5 percent growth, our net loss was 0.8 percent of students, at a total cost of approximately $2.4 million.

Taken together, these realities caused us to fear that we would have to reduce several million dollars from our budget in the 2016-17 school year. However, there have been some additions to our revenue that have helped.

There was an increase in the High Cost Disability grant from the Oregon Department of Education (ODE), which reimburses districts whose costs for serving students with special needs is significantly above the double weighting provided through the regular funding formula. That increase added $1.4 million to the District ($700,000 each year, in 2015-16 and 2016-17).

ODE also modified its reporting process for English learners. Counts are now collected in October, rather than May, which allows us to be reimbursed for the entire school year. This change added approximately $2.4 million to the District ($1.2 million each year, in 2015-16 and 2016-17).

Finally, the revised State School Fund (SSF) estimate for 2014-15 (released April 4, 2016), reflected an increase in statewide local revenue of $37.9 million, which resulted in an increase of $56.44/ADMw, or $1.37 million for Hillsboro School District.

After all of the changes to revenues and expenses were taken into account, the District was still significantly short of what it needed in order to maintain a relatively flat budget for the 2016-17 school year. Therefore, staffing has been tightened up to more closely align with enrollment. This reduction of 14.42 licensed FTE across the District will be managed through attrition. We have also reduced district-level department budgets by 2 percent.

An addition to the budget has been made for two FTE custodial positions. This increase will allow three of our schools that currently have half-time night custodians to have full-time night custodians (Minter Bridge, Mooberry, and McKinney), and will allow incremental additional custodial support at two more of our schools.

We are also reallocating a large portion of funds that have previously been set aside for Additional Adult Assistance (AAA) for students who have special needs. In the past, these funds have been used to pay for temporary and substitute staff on an as-needed basis; however, in an effort to create more continuity in our buildings and to provide staff with additional training, we are converting many of those temporary positions into permanent positions: 12.98 licensed FTE and 67 classified FTE.

With all of these changes, we are heading into the 2016-17 school year anticipating an ending fund balance of $9,604,527, which is $930,007 short of our 5 percent target. Based on a general fund budget totaling $210,690,678, this amount is considered to be within a reasonable margin of error. We also have reasonable expectations that enrollment will increase, and that SSF revised estimates released in the spring of 2017 will bring us up to the 5 percent target. Therefore, we are pleased that we can recommend a budget that meets our goal of creating a sustainable investment plan for the 2015-2017 biennium.

Looking ahead to the 2017-2019 biennium, we will be advocating for several things at the state level:

- Increased funding for K-12 education. In the 2007-2009 biennium, the K-12 budget represented 41.5 percent of the state's total budget. In the 2015-2017 biennium, that percentage was 39. In order to stabilize and reinvest in education, we need to return to the 40-41 percent range.

- A sustainable mechanism for containing PERS costs. This is not a Hillsboro issue or a K-12 issue. It is an issue for every public employer in the state; however, the effects on Oregon's schoolchildren are perhaps the most unacceptable.

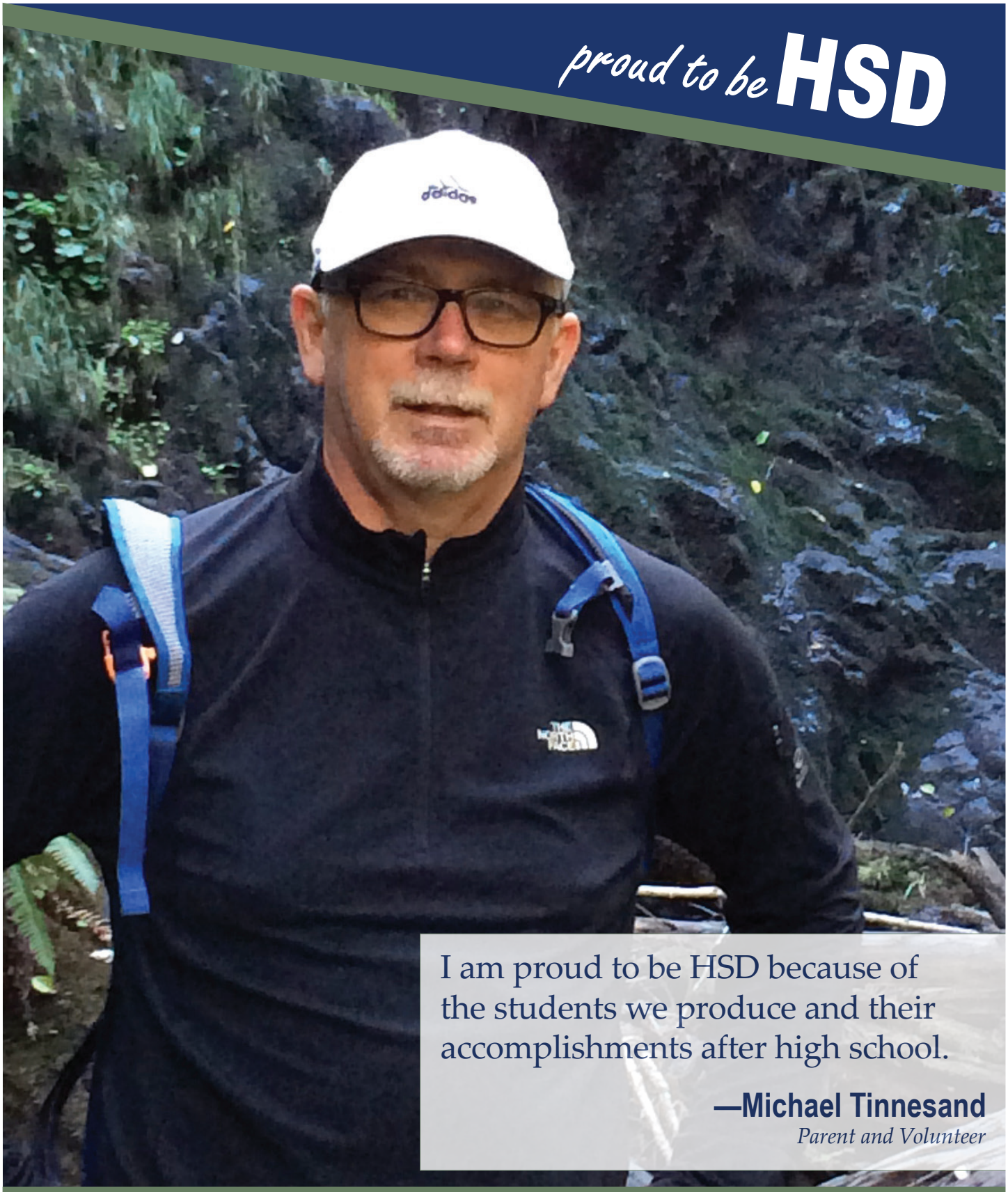
- Funding to support—or a modification of language surrounding—the increased PE requirements that are due to begin in 2017-18. Although we do not deny that students would benefit from being more physically active, if there is no funding to extend the school day or modify facilities, then increasing PE time means decreasing something else.

As we budget and plan for the future, and talk with staff, students, and parents about their needs, hopes, and expectations, I am reminded of our responsibilities to all stakeholders—the ones who are here now and the ones who will be with us in the future. Meeting current needs and prudently planning ahead is not always easy, but it is what we must do for our students, the school system, and the broader community.

As always, I am grateful for the ongoing support and involvement of our local citizens in this process.

Respectfully submitted,

Mike Scott
Superintendent



HILLSBORO SCHOOL DISTRICT

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Hillsboro School District, a unified school district, is the fourth largest of 197 districts in Oregon. The District is projecting to serve approximately 20,664 students during the 2016-17 school year. Hillsboro School District enrolls approximately 3.6 percent of the total Grade K-12 student population in Oregon. 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 multiple communities such as 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.

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 2016-17 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.

BUDGET PROCESS AND SIGNIFICANT CHANGES

The annual budget process comprises five phases: planning, preparation, adoption, implementation, and evaluation.

The budget climate continues to stabilize in the wake of the 2008 recession, with a potential for reinvestment rather than reductions. With a slow and steady economic recovery, the District has designed a five-step plan for investing in relevant, targeted areas to increase student achievement. Although the District does not currently receive adequate funding to fully implement the plan, the document will provide guidance for strategic targeting of resources, should they become available.

At the time the budget was adopted, state funding for K-12 education was appropriated at $7.255 billion for the 2015-2017 biennium. This funding level is appropriated in a non-traditional 50/50 split over the two years.

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

- Public Employee Retirement System (PERS) rate reductions resulting from legislative changes in 2013 were challenged and largely lost in court. For 2016-17 these rate reductions, along with savings from the 2015 PERS Unfunded Actuarial Liability (UAL) Bonds, will result in a decrease in PERS rates of 2.78 percent for Tier One and Tier Two employees, and 5.47 percent for Oregon Public Service Retirement Plan (OPSRP) employees. The District will maintain the PERS reserve of $2.0 million in 2016-17 to offset a portion of future increases.[1]
- No discretionary reserve funds are appropriated for use in the general fund operating budget.
- The adopted budget includes salary step movement and estimated cost of living increases in accordance with employee group contracts.
- Changes in student demographics, and the implementation of instructional strategies designed to increase student achievement.
- The adopted budget does not include any Gain Share dollars, due to recent legislative action.
- Full-day kindergarten will be implemented at all elementary schools.
- New residential construction within the District, and school boundary adjustments.

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

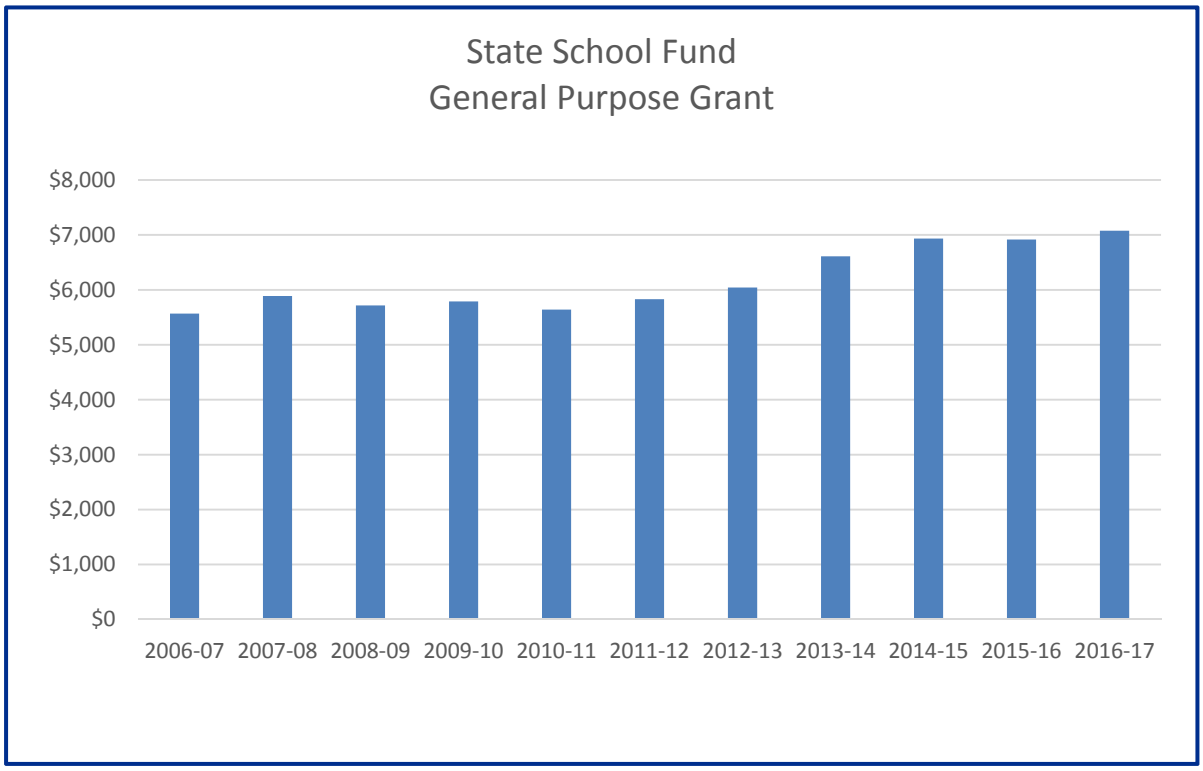
[1] Biennial increases of 8.0 percent of payroll is anticipated for the 2017-2019 biennium with an additional 2.0 percent of payroll increase in the 2019-2021 biennium.

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.

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.

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.

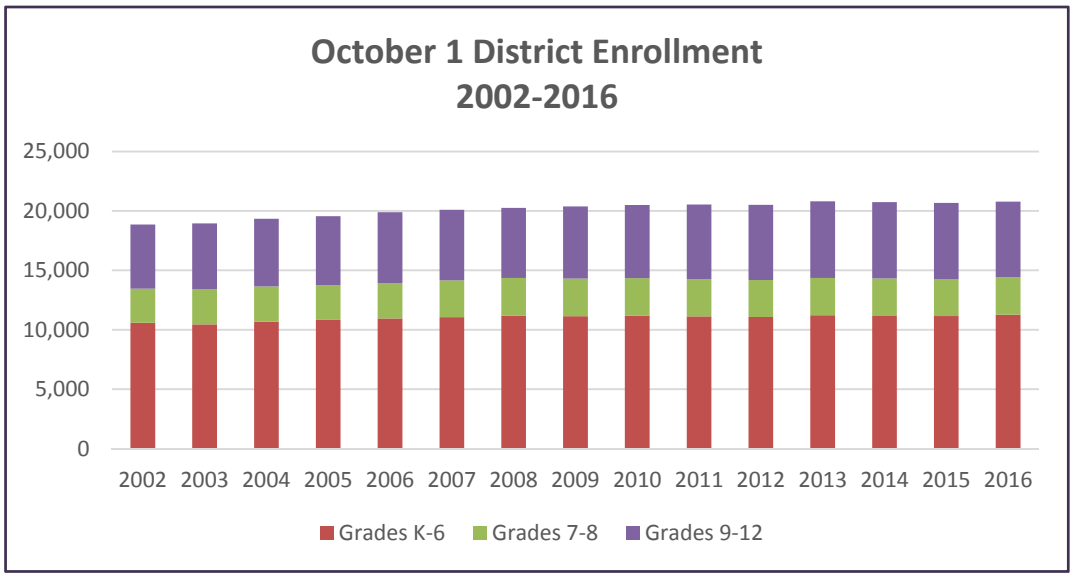


ENROLLMENT GROWTH

During the past 14 years, student enrollment in the Hillsboro School District has increased by 1,924 students, with a projected student population of 20,774 for October 1, 2016, compared to 18,850 students in the 2002-03 school year. To handle the population growth, since the beginning of the 1998-99 school year, 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 2016-17 school year, the District will operate twenty-four 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.

The 2016 Portland State University (PSU) Population Research Center report estimates that overall student enrollment will grow by an additional 1,734 students by the 2030-31 school year. The District's Long-Range Planning Committee meets regularly to review the needs of our existing facilities, and to continue the planning process for new facilities to address this projected growth.

The PSU Population Research Center report can be viewed on the District's website at http://www.hsd.k12.or.us/AboutHSD/TheFutureofHSD/EnrollmentForecasts.aspx.



AVERAGE ENROLLMENT FOR FISCAL YEAR

Grade Level	October 1 Fiscal Year 2013-14	October 1 Fiscal Year 2014-15	October 1 Fiscal Year 2015-16	Projected Fiscal Year 2016-17	Percentage of Change 10/2013 to 10/2016
Elementary School	11,222	11,211	11,157	11,260	0.16%
Middle School	3,134	3,114	3,080	3,150	1.08%
High School	6,447	6,414	6,441	6,364	-1.45%
TOTAL	20,803	20,739	20,678	20,774	-0.20%

2016-17 BUDGET AT A GLANCE

- The 2016-17 school year is the second year of the 2015-2017 biennium.
- The General Fund operating revenue is anticipated to increase by $3.32 million, or 1.60 percent.
- Employee insurance cap increases are included in this budget for all employee groups. The 2016-17 District contribution for all eligible staff is budgeted at $1,125 per month for full-time licensed staff and $1,150 for full-time classified staff, and is prorated by FTE, per negotiated agreement.
- The District may enter into a contract agreement for substitute employees, resulting in a shift from salary/benefits to contract services in the budget appropriations.
- Hillsboro School District's combined rate, including the debt service payment for the UAL bonds, is 19.07 percent for Tier One and Tier Two employees, and 14.38 percent for Tier Three employees.

2016-17 Budget – All Funds
(In Thousands)

Fund	FY 2015-16	FY 2016-17	Change
General (Operational)	$207,380,995	$210,690,678	1.60%
Special Revenue	$32,382,683	$38,944,957	20.26%
Debt Service	$40,429,619	$42,144,397	4.24%
Construction	$2,802,000	$1,500,200	-46.46%
Internal Services	$2,000,000	$2,000,000	0.00%
Trust & Agency	$0	$0	0.00%
Total All Funds	$284,995,297	$295,280,232	3.61%

ACCREDITATION

In the 2014-15 school year, Hillsboro School District began to explore the possibility of pursuing systems accreditation.

Accreditation is a method of quality assurance that was developed by schools and universities more than 100 years ago as a way of identifying institutions that meet a standardized level of excellence and have systems in place to allow all learners to realize their full potential.

For many years, Hillsboro high schools have sought accreditation as an external validation of quality and to ensure our graduates had the most options possible for college acceptance, federal loans, scholarships, and more. Until recently, though, we had not sought accreditation of all our schools.

However, that changed when the District partnered with AdvancED, a non-profit, non-partisan organization of education professionals that conducts rigorous, on-site external reviews of PreK-12 schools and school systems across the U.S. and in more than 70 countries around the world, to seek systems-level accreditation.

The process began in the summer and fall of 2015 when District staff, students, parents, and partners participated in an internal review and information-gathering phase, and culminated with the external review on Feb. 7-10. This process involved a comprehensive assessment of all aspects of our system. It confirmed our responsible stewardship of resources, our strong leadership at all levels, and our system-wide commitment to equitable teaching and learning on behalf of all students in the District.

Included in the oral report from the external review team were “powerful practices” and “priorities for improvement.”

Among the powerful practices identified by the team were family outreach and strong and systematic community partnerships. The team also commended the District on the development of its Dual Language programs, which serve almost 2,000 students.

Among priorities for improvement were accountability for high-quality professional learning communities (PLCs) in which teachers collaborate to meet the needs of every student, the need to invest in technology as a learning tool for students, and establishing

more consistency in instructional practice within every classroom. These findings were consistent with the District's internal review self-analysis. They reinforce the District's commitment to many of its current goals for improving teaching and learning for all students.

A full written report documenting the findings of the accreditation process will be delivered to the District in the summer of 2016, subsequent to the AdvancED Accreditation Commission's approval of the external review team's recommendation for accreditation. At that time, the District and all its schools will be fully accredited for the next five years. The District must address the priorities for improvement within two years, and is expected to continually improve and strengthen all processes over the term of accreditation.

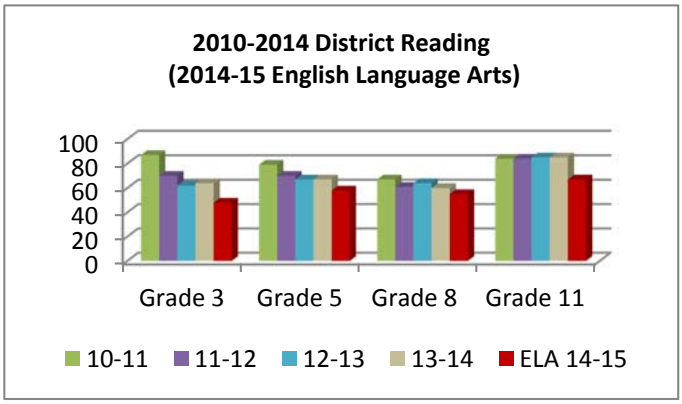
Hillsboro School District is the first K-12 school district in Oregon to have earned a recommendation for systems accreditation.

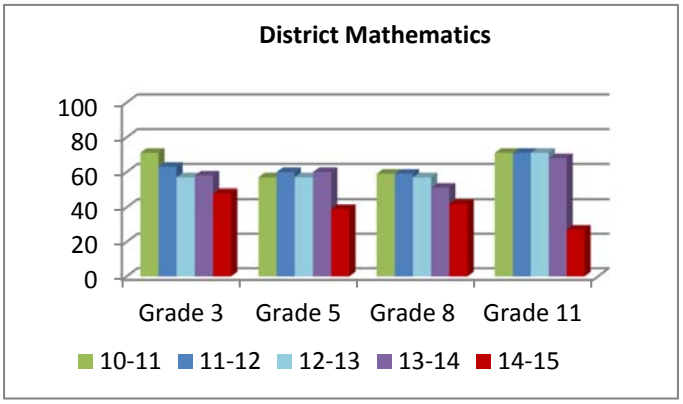
PASSING THE TEST – ACHIEVEMENT AND ACCOUNTABILITY

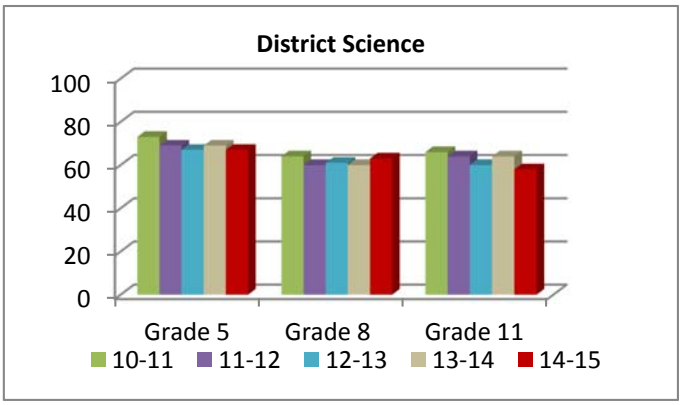
Schools and students in the Hillsboro School District, and across the state, continue to be evaluated based on rigorous standards. For example, the HSD annual statewide report card includes student demographics, school staff information, state and national assessment results, dropout and graduation rates, early childhood data, alternative education information, and public school funding. This information is used each year to update the public and monitor progress.

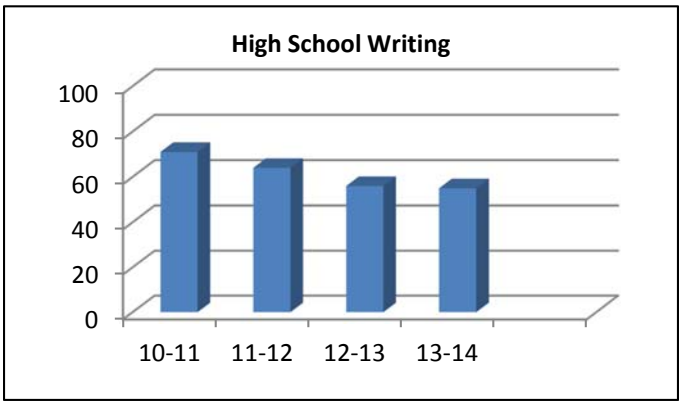
Another way administrators and teachers view at individual student achievement is through their Professional Learning Communities (PLCs). PLC teams throughout the District are designed to improve student success providing teachers a collaborative structure for teachers to explore aspects of learning, including: "What is it we expect students to learn? How will they show that they have learned? How will we respond if they don't learn? How will we respond when they already know it?" Rather than focusing on intentions, PLC teams focus on results, which are ongoing in every school.

The District continually evaluates efforts to ensure that resources are being used efficiently and effectively. The ongoing monitoring of student performance provides assurance that District efforts and funds are helping each Hillsboro student learn. In 2014-15, state assessments changed to Smarter Balanced, which is based on Common Core State Standards. As a result, writing and reading are now combined into English Language Arts (ELA).









SUMMARY

The 2016-17 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 2015-2017 biennium and look forward to the next several biennia. The long-range forecast for the State of Oregon shows a slow recovery.
- Resources are provided to implement the first year of the 2016-2021 District Strategic Plan.
- The District will continue to target efficiencies within general operations and support services, with quality instruction as a high priority.
- The District will not spend any remaining discretionary reserve funds in the General Fund operating budget.

LOOKING AHEAD

The graph below shows anticipated revenues and expenditures for the next five years. The following assumptions are included in these calculated figures:

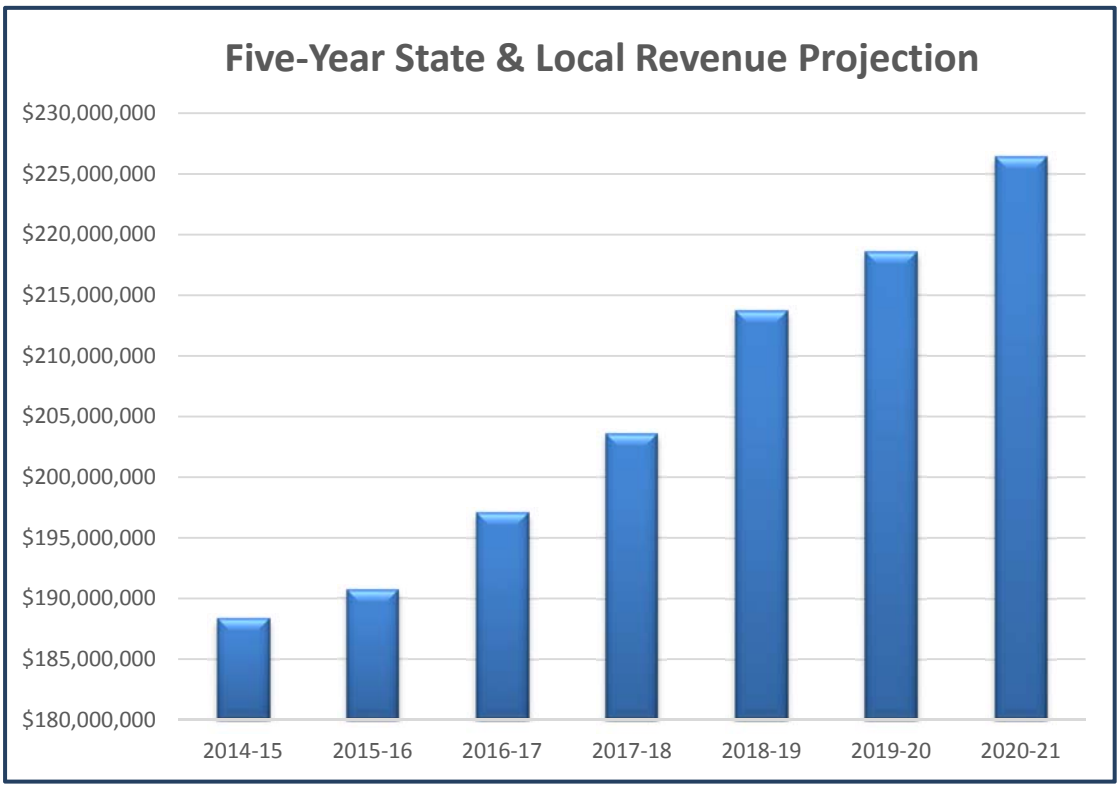
Revenues

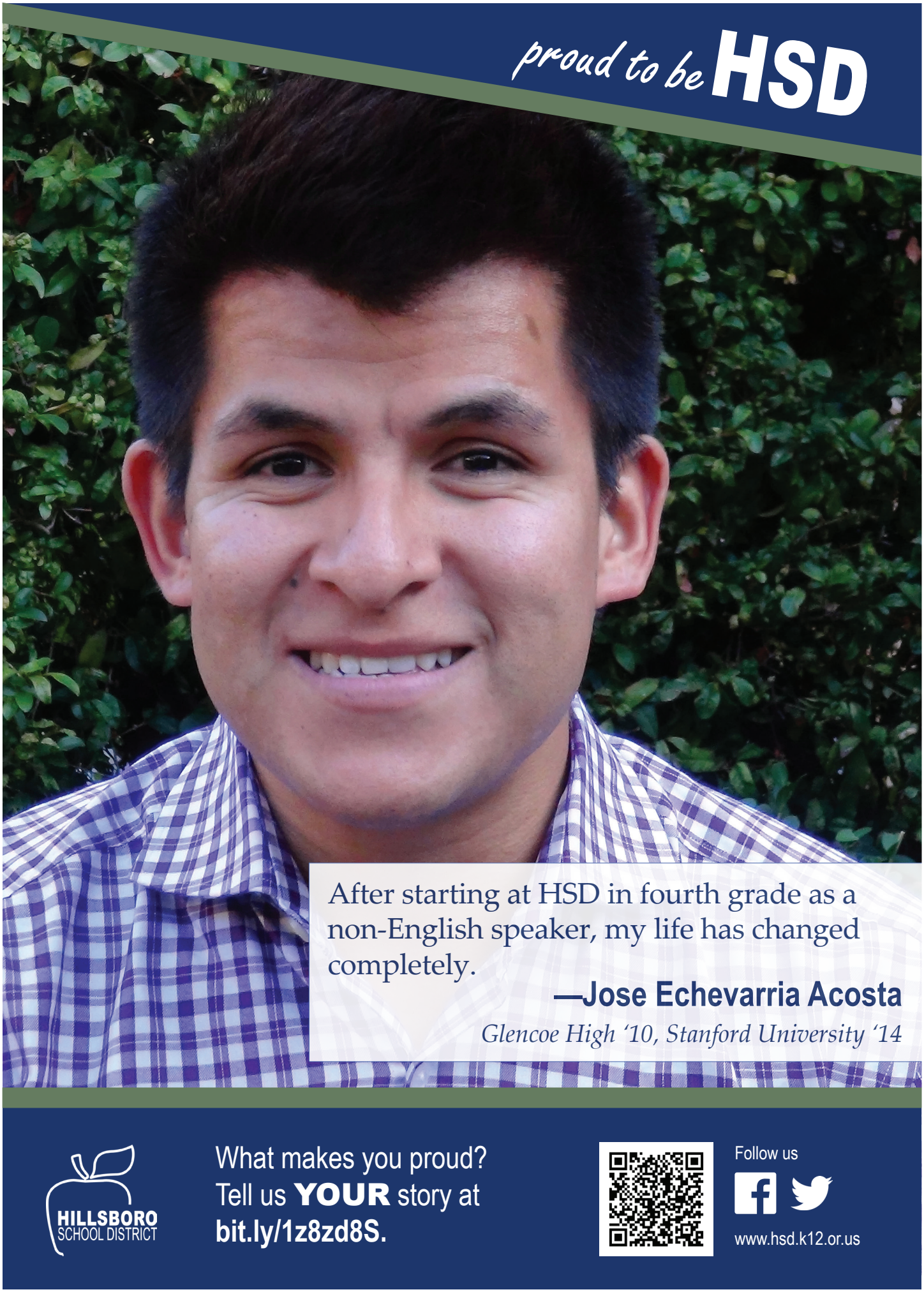
- Growth in the SSF will mirror projected growth in State Revenues - based on the most recent (March 2016[2]) Oregon Office of Economic Analysis Quarterly Forecast.
- Property Tax collections will grow at an annual rate of 4 percent.
- Annual District & ESD Local Revenue increase of 3 percent.
- The District will no longer receive Gain Share funds.
- No reserve funds will be used to support the General Fund budget.
- Enrollment is based on historical trend analysis plus projected impact of new construction.
- 49 percent/51 percent split for 2017-2019, 2019-2021 biennia.

[2] Oregon Department of Education 2016-17 Estimate, http://www.ode.state.or.us/services/ssf/2016-17-ssf-estimate-as-of-3-7-16-1300-hrs.pdf

Expenditures

- Full school year for all years – 2016-17 through 2020-21.
- Current collective bargaining agreement for all bargaining groups. A cost-of-living adjustment (COLA), plus full step advancement and insurance cap increases for all eligible employees are included in the projection.
- PERS rate reductions resulting from legislative changes will be upheld through the 2016-17 year. Biennial increases of 8.0 percent of payroll is anticipated for the 2017-2019 biennium with an additional 2.0 percent of payroll increase in the 2019-2021 biennium.
- Maintain existing staffing levels for classified, administrative, and supervisory/ technical employee groups. Licensed staffing will be adjusted according to student enrollment.
- A two percent reduction in department budgets for 2016-17. There is a five percent annual increase in utility, equipment, and property/liability costs, and a two percent annual increase in supply costs for 2017-18 and beyond.





Organization

ORGANIZATION OVERVIEW

BOARD OF DIRECTORS

The Board of Directors is comprised of seven elected members serving four-year terms. Board members are community volunteers and do not receive compensation for their work. Board members establish policy, based on Oregon and Federal laws governing schools. The Board's regular meetings are generally held on the fourth Tuesday of each month. Regular sessions, special sessions, work sessions, and Budget Committee meetings are open to the public. Executive sessions are held as needed for specific purposes as provided by state law. Notices of all meetings are posted on our District website: http://www.hsd.k12.or.us/AboutHSD/Governance/BoardofDirectors.aspx.

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 Adam Stewart is responsible to the Board and administration for all financial operations.

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 and areas of accountability that are consistent, and annually- developed action plans and goals that directly address areas where growth needs to be made and where successes can be capitalized upon for the year ahead.

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

In the 2016-2021 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.*

MISSION
Engage and challenge all learners to ensure academic excellence.

STRATEGIC OBJECTIVE
All students graduate with career- and college-readiness skills

OUR PRIDE
Proud to be HSD

AGREEMENTS & COMMITMENTS
In Hillsboro, we are connected:

TO CAREER

- Students deserve academic content that is engaging, connects to their personal goals, and is responsive to the world around them.
- Students deserve clear pathways to career preparedness.

TO CULTURE

- Students deserve to have experiences that lead them to believe that diversity and multilingualism are assets.
- Students deserve to have experiences that allow them to see their and others' cultures reflected in their learning opportunities.

TO COMMUNITY

- Students deserve to be surrounded by caring adults who are committed to working together in professional learning communities to ensure equitable support, experiences and outcomes for each of them.
- Students deserve at least one identified adult that knows them by name, strength and need, and ensures they are successful in their K-12 education and beyond.

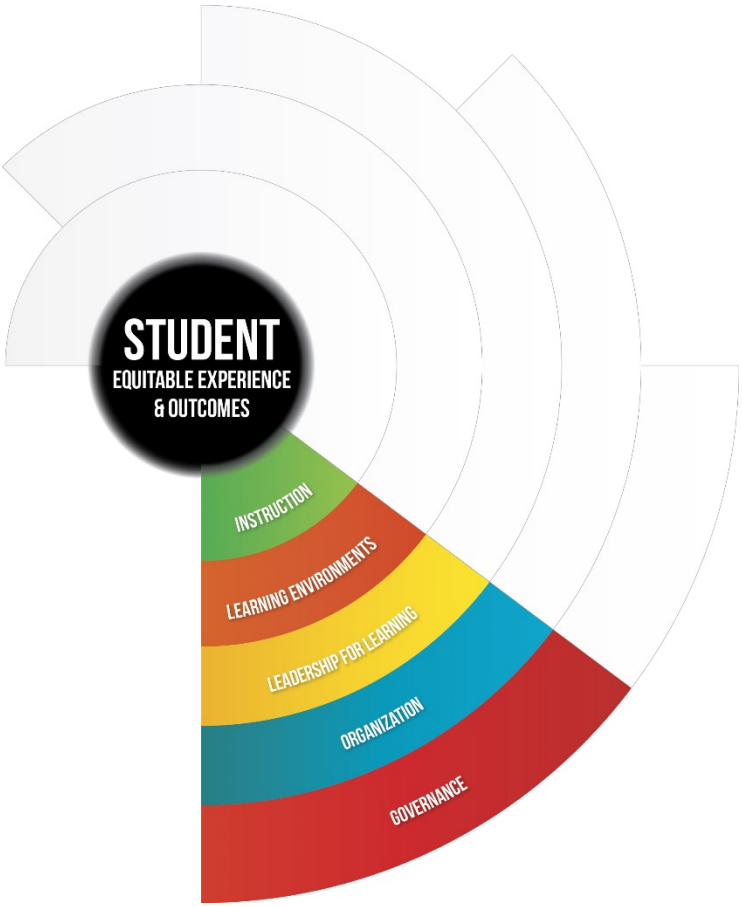
STRUCTURAL ELEMENTS

STUDENT: *Equitable Experience and Outcomes*
All students are engaged and challenged throughout their K-12 experience and leave our system fully prepared for their next step in life, be that career, college, military, or other educational or civic opportunity.

INSTRUCTION: *High Quality*
Highly qualified staff deliver relevant, rigorous, and engaging curriculum; and students have access to a variety of meaningful co- and extracurricular activities.

LEARNING ENVIRONMENTS:
Equitable, Safe, and Inclusive
All students feel valued, appreciated, and safe at school, both physically and emotionally. They have access to engaging and relevant curriculum, and are presented with clear pathways and multiple opportunities to develop skills and identify interests for their future careers.

LEADERSHIP: *for Learning*
Building administrators are instructional leaders and ensure that all staff members are continually learning, growing, and developing their skills so they can deliver instruction in the most effective and engaging manner possible.



ORGANIZATION: *Responsible and Inclusive*
All internal elements of the system function as responsibly and efficiently as possible. From budgeting to long-range planning to facility maintenance to human resources management to nutrition services to technology to communications and transportation, the strength of these organizational elements is critical to creating an environment where effective teaching and learning can occur.

GOVERNANCE: *Accountability and Oversight*
Public schools are a resource and responsibility of the people, and therefore require the support and oversight of the communities in which they exist. Elected school board members represent the governing body of school districts and positively affect equitable student experiences and outcomes by creating the conditions necessary for success through the setting of policy and vision, appointing the superintendent, allocating resources through budgeting, and continually reviewing data.

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 elects a chairperson and a vice-chairperson from the seven members. The Board has legal authority for 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.

The ongoing duties of the Board include allocating resources, formulating policy, and interacting with the community in support of the District's mission. The Board of Directors supports the District's efforts to achieve the objectives of the Strategic Plan by setting annual Board goals that align with the main strategy areas, and by holding staff accountable to show measurable progress toward identified outcomes.

The Board members and their terms are as follows:

Position 1	Position 2	Position 3	Position 4
Janeen Sollman July 2009 - June 2017	Glenn Miller July 2013 - June 2017	Monte Akers July 2011 - June 2017	Kim Strelchun July 2011 - June 2019
Position 5	**Position 6**	**Position 7**	
Lisa Allen July 2015 - June 2019	Erik Seligman July 2013 - June 2017	Wayne Clift July 2011 - 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. No staff members are allowed to serve on the Budget Committee.

The appointive 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.

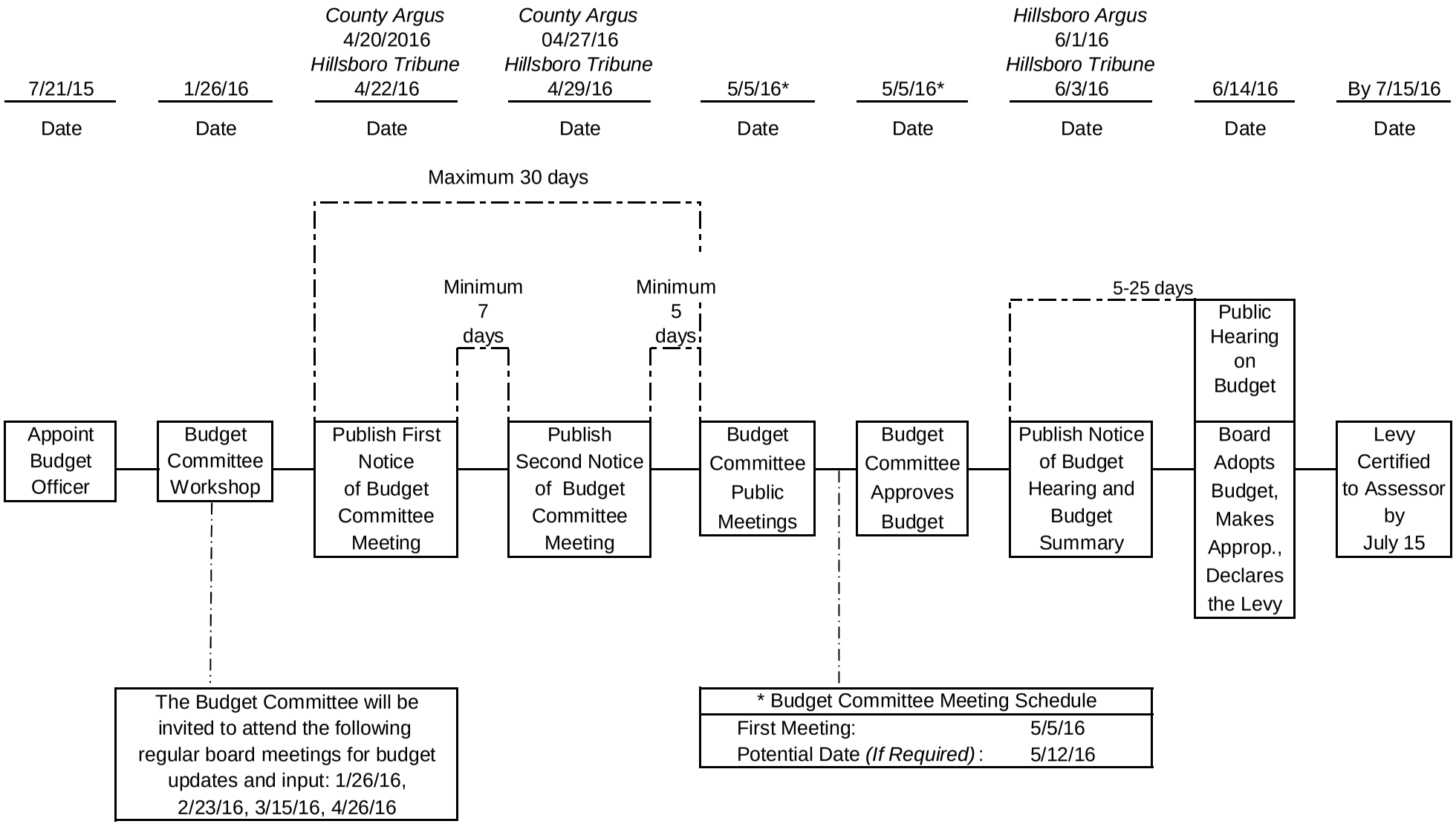
According to Board policy DBEA: Budget Committee, "The budget committee shall hold one or more meetings to receive the budget message, to receive the budget document, and to provide members of the public with an opportunity to ask questions about and comment on the budget document." Those official meetings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

This year, the District invited its Budget Committee members to participate in several Board work sessions to learn and ask questions about the budget and become more directly involved in the budgeting process.

Budget Committee Membership:

Name	Designation Position	Expiration
Janeen Sollman	School Board, Position 1	2017
Glenn Miller	School Board, Position 2	2017
Monte Akers	School Board, Position 3	2017
Kim Strelchun	School Board, Position 4	2019
Lisa Allen	School Board, Position 5	2019
Erik Seligman	School Board, Position 6	2017
Wayne Clift	School Board, Position 7	2019
Betsy Julian	Community, Position 1	2017
Jaime Rodriguez	Community, Position 2	2017
Nina Carlson	Community, Position 3	2018
Martin Granum	Community, Position 4	2018
Chris Barry	Community, Position 5	2016
Cathy Clark Thomas	Community, Position 6	2016
Angie Ellis	Community, Position 7	2016

HILLSBORO SCHOOL DISTRICT 1J
ADOPTED PLANNING CALENDAR - 2016-17 BUDGET



HILLSBORO SCHOOL DISTRICT

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General Fund

2016-17 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.

2013-14 Actual	2014-15 Actual	2015-16 Adopted	2016-17 Adopted
$56,265,989	$59,959,178	$60,922,114	$67,214,134

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.

2013-14 Actual	2014-15 Actual	2015-16 Adopted	2016-17 Adopted
$183,270	$256,003	$276,710	$305,801

Other Local Revenue

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

2013-14 Actual	2014-15 Actual	2015-16 Adopted	2016-17 Adopted
$1,296,565	$1,684,700	$1,724,917	$1,913,920

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.

2013-14 Actual	2014-15 Actual	2015-16 Adopted	2016-17 Adopted
$558,364	$574,454	$324,101	$250,000

ESD Pass-Through Dollars

The Northwest Regional Education Service District (NWRESD) provides a menu of services for districts to purchase using service credits. Revenue from the state flows through the NWRESD 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).

2013-14 Actual	2014-15 Actual	2015-16 Adopted	2016-17 Adopted
$769,489	$2,615,946	$2,910,532	$3,003,669

Gain Share Funds (formerly known as Strategic Investment Program [SIP])

Gain Share revenue is paid to counties, cities, and school districts in lieu of property taxes. The SIP program was first implemented in the mid-1990s, with Intel being the largest participant. The replacement Gain Share program was implemented in 2014.

2013-14 Actual	2014-15 Actual	2015-16 Adopted	2016-17 Adopted
$1,218,772	$1,946,988	$1,250,000	$0

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 $7.255 billion K-12 allocation for the 2015-2017 biennium[1].

2013-14 Actual	2014-15 Actual	2015-16 Adopted	2016-17 Adopted
$113,662,969	$121,330,286	$123,313,242	$124,345,402

Other Sources

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

2013-14 Actual	2014-15 Actual	2015-16 Adopted	2016-17 Adopted
$1,217,730	$5,405	$0	$0

[1] Oregon Department of Education Estimate:
http://www.ode.state.or.us/services/ssf/2016-17-ssf-estimate-as-of-3-23-15-2120-hrs.pdf

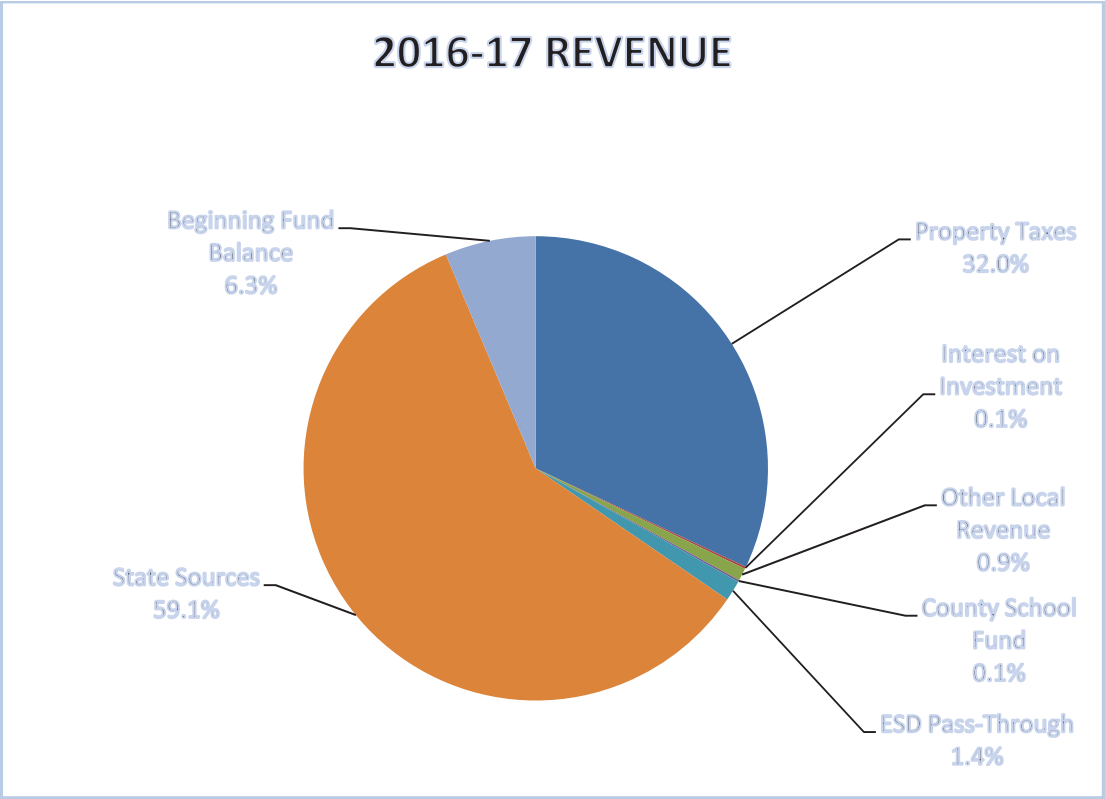
Beginning Fund Balance

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 2016-17 Beginning Fund balance of $13,333,322 is 6.3 percent of the total revenues.

2013-14 Actual	2014-15 Actual	2015-16 Adopted	2016-17 Adopted
$9,100,549	$14,456,892	$16,659,380	$13,657,752

Total Revenue

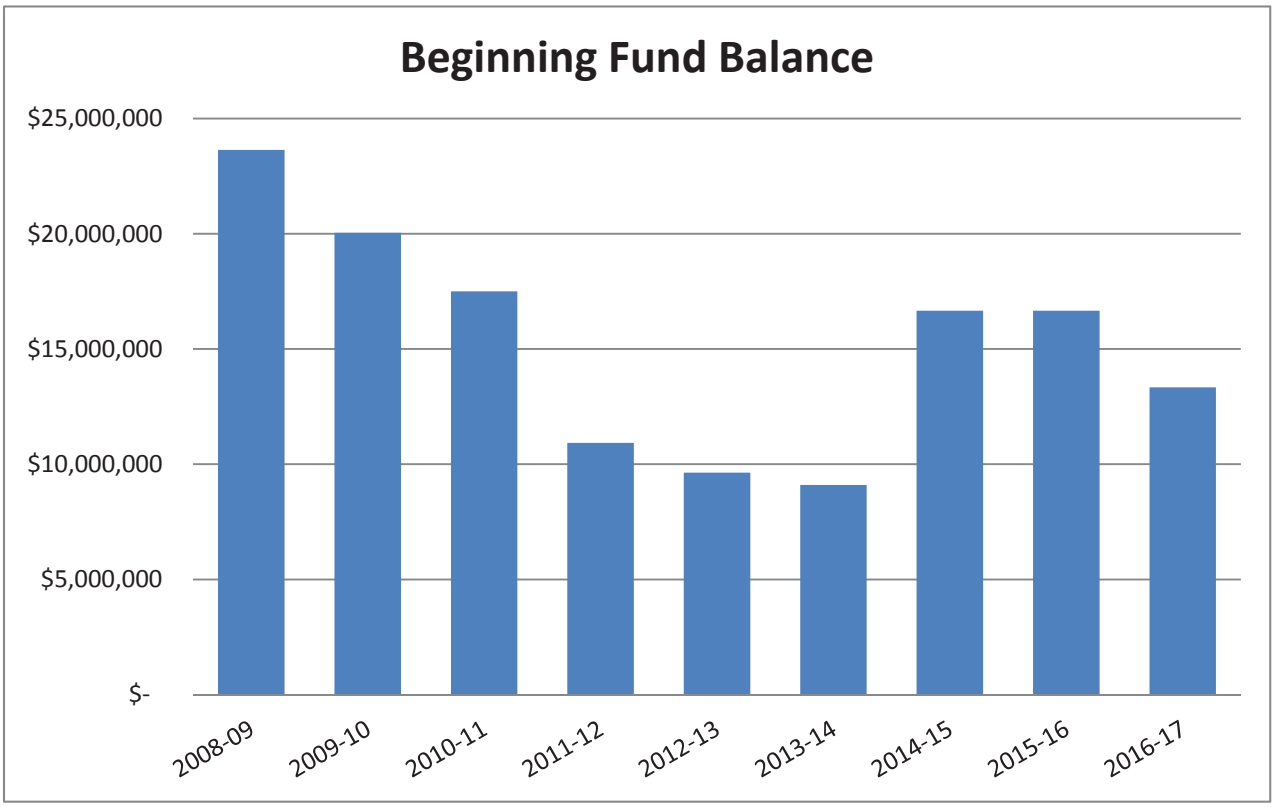
2013-14 Actual	2014-15 Actual	2015-16 Adopted	2016-17 Adopted
$184,273,697	$202,829,852	$207,380,995	$210,690,678



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.

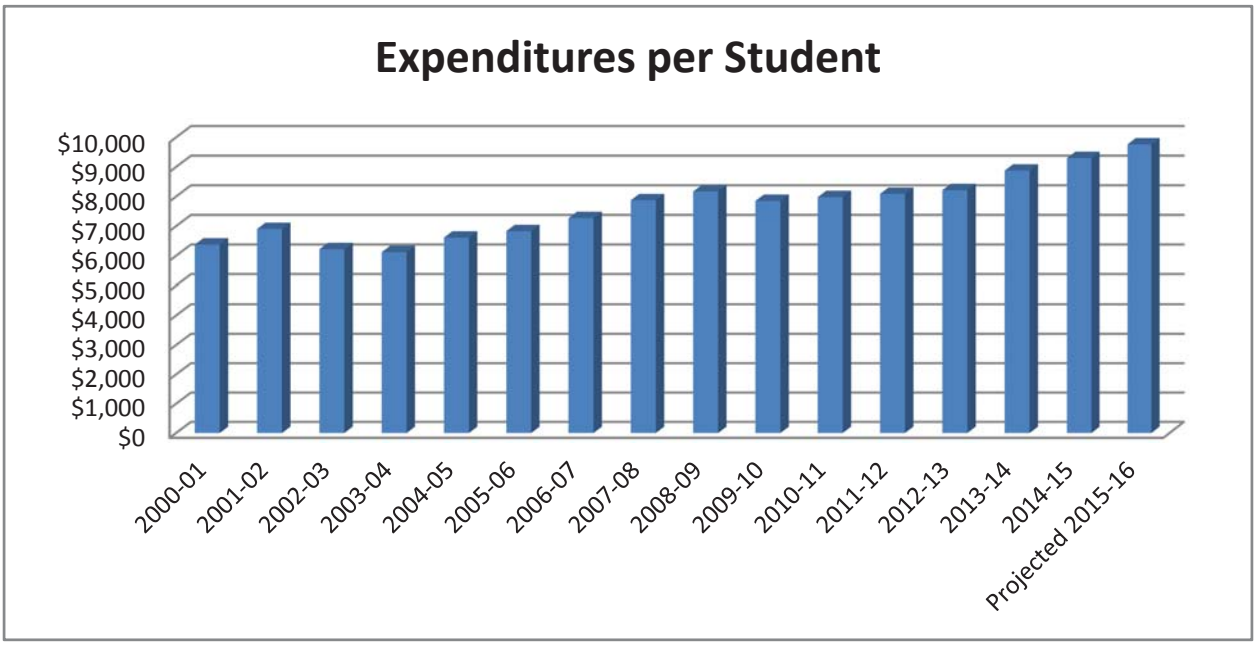
The District maintains a Beginning Fund Balance target of 5 percent. The 2016-17 budget includes $13,333,322 as the Beginning Fund balance, which is a $3,326,058 decrease from the 2015-16 adopted budget balance.



ACCOUNT	DESCRIPTION	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADOPTED	2016-17 ADOPTED
100.0000.1111	CURRENT YEAR PROPERTY TAX	$55,354,861	$59,025,457	$59,944,998	$66,469,087
100.0000.1112	PRIOR YEAR PROPERTY TAX	$901,230	$926,674	$975,818	$737,298
100.0000.1113	COUNTY TAX SALES/BACK TAX	$9,898	$7,047	$1,298	$7,749
100.0000.1114	PAYMENTS IN LIEU OF PR TX	$0	$0	$0	$16,540
100.0000.1190	PENALTIES & INTEREST ON TAX	$13,010	$11,743	$14,296	$44,582
100.0000.1312	NON-RESIDENT TUITION	$28,320	$0	$7,740	$0
100.0000.1411	TRANSP FEES FROM INDIVID	$73,414	$84,953	$81,917	$86,229
100.0000.1512	INTEREST ON LGIP	$183270	$256,003	$276,710	$305,801
100.0000.1513	INTEREST ON BANK ACCOUNTS	$0	$530	$7,324	$2,151
100.0000.1710	GATE RECEIPTS	$89,185	$84,529	$98,912	$78,781
100.0000.1742	STUDENT TOWEL FEES	$0	$2,117	$6,420	$3,987
100.0000.1744	STUDENT PARTICIPATION FEES	$371,729	$289,416	$341,871	$336,629
100.0000.1910	RENTAL/BLDG USAGE	$148,853	$227,294	$244,940	$257,748
100.0000.1920	CONTRIBUTIONS/DONATIONS	$5,194	$10,765	$0	$0
100.0000.1960	RECOVERY PRIOR YEAR EXP	$26,268	$199,286	$260,327	$165,732
100.0000.1975	REBATE	$0	$0	$0	$20,052
100.0000.1980	FEES CHARGED TO GRANTS	$441,023	$683,536	$546,685	$735,191
100.0000.1990	MISCELLANEOUS REVENUE	$64,661	$46,232	$70,261	$77,326
100.0000.1993	REIMBURSE/EXPENSE	$0	$7,728	$18,554	$657
100.0000.1995	PRINTING REVENUE	$34,908	$36,571	$25,670	$23,538
100.0000.1998	REIMBRSMT -MODIFIED WORKER	$0	$0	$0	$64,777
TOTAL LOCAL REVENUE		$57,745,824	$61,899,881	$62,923,741	$69,433,854
100.0000.2101	COUNTY SCHOOL FUND	$558,364	$574,454	$324,101	$250,000
100.0000.2103	ESD PASS THROUGH	$769,489	$2,615,946	$2,910,532	$3,003,669
100.0000.2180	SIP IMPACT UNRESTRICTED	$1,218,772	$1,946,988	$1,250,000	$0
TOTAL INTERMEDIATE SOURCES		$2,546,625	$5,137,388	$4,484,633	$3,253,669
100.0000.3101	STATE SCH FUND-GEN SUPPORT	$102,940,784	$110,851,718	$110,826,539	$111,224,938
100.0000.3103	COMMON SCHOOL FUND	$1,884,372	$7,257,454	$1,847,551	$2,029,214
100.0000.3104	STATE TIMBER REVENUE	$1,247,813	$2,082,225	$532,902	$250,000
100.0000.3105	SSF TRANSPORTATION	$7,590,000	$1,138,889	$10,106,250	$10,841,250
TOTAL STATE SOURCES		$113,662,969	$121,330,286	$123,313,241	$124,345,402
100.0000.5200		$1,200,000	$0	$0	$0
TOTAL TRANSFERS		$1,200,000	$0	$0	$0
100.0000.5300		$17,730	$5,405	$0	$0
TOTAL COMPENSATION/LOSS ASSETS		$17,730	$5,405	$0	$0
TOTAL BEGINNING FUND BALANCE		$9,100,549	$14,456,892	$16,659,380	$13,657,752
TOTAL REVENUE		$184,273,697	$202,829,852	$207,380,995	$210,690,678

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[1].



At the end of the 2014-15 fiscal year, the average operational cost of educating a student in the Hillsboro School District was $9,339. This figure is determined by dividing total General Fund expenditures for 2014-15, $185,225,582, by our total Average Daily Membership (ADM) of 19,917 ($185,225,582 / 19,917 = $9,339). The breakdown of the $9,339 is as follows:

Instruction ($4,218 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 ($1,137 per student). Staffing, materials, and supplies for students with disabilities in less restrictive programs and students with disabilities in restrictive programs.

Student Services ($804 per student). Staffing and office supplies for attendance, guidance, health services, media services, assessment, testing, and instructional staff development.

[1] Expenditures do not include transfers, contingency, or ending fund reserves.

Central Services ($283 per student). Expenditures related to the Board of Directors, Superintendent, Business Office, Print Shop, and Human Resources.

School Administration ($741 per student). Principals, assistant principals, teachers on special assignment (TOSAs), supplies, materials, purchased administrative services, and support at each campus.

Facilities ($1,106 per student). Personnel and supplies for custodial and maintenance services, plus major maintenance projects districtwide.

Transportation ($696 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.

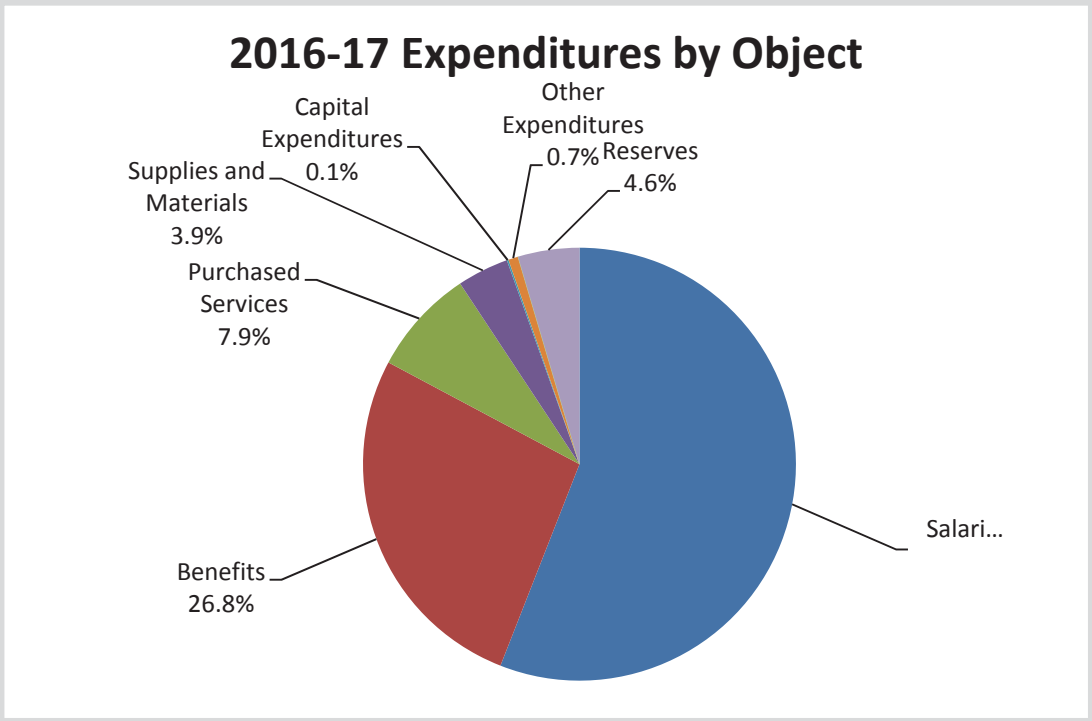
Technology ($307 per student). Staffing and new technology for classroom instruction.

Community Service ($20 per student). Personnel and supplies used to perform a variety of community services, primarily the Office of Hispanic Outreach.

Debt Service ($27 per student). Principal and interest payments for the administration building.

2016-17 General Fund Budget by Object Summary

Object	Description	2014-15 Actual	2015-16 Adopted	2016-17 Adopted	2016-17 Increase/Decrease from Prior Year
Salaries	All salaries including negotiated increases.	$102,396,630	$111,769,707	$117,419,494	5.05%
Benefits	Includes associated payroll costs, PERS, health insurance caps, tuition reimbursement	$53,121,328	$53,415,722	$56,315,668	5.43%
Purchased Services	Utilities, printing, charter school payments, contracted services	$15,970,164	$17,039,795	$16,622,151	-2.45%
Supplies and Materials	Supplies, textbooks, computer hardware and software, gasoline	$9,008,387	$8,386,192	$8,082,372	-3.62%
Capital Expenditures	New and replacement equipment	$2,406,611	$184,414	$250,053	35.59%
Other Expenditures	Dues and fees, property insurance	$1,497,947	$1,432,627	$1,570,294	5.77%
	Debt service on administration building	$824,516	$828,219	$826,119	-0.25%
Transfers	Transfer to PERS Reserve Fund	$0	$500,000	$0	-100.00%
Reserves	Planned reserves for next year	$17,604,269	$13,824,319	$9,604,527	-30.52%
Total		$202,829,852	$207,380,995	$210,690,678	1.60%



General Fund by Object

ACCOUNT	DESCRIPTION	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADOPTED	2016-17 ADOPTED	2016-17 FTE
100.0000.0111	REG LICENSED SALARIES	$55,147,659	$59,022,425	$65,997,550	$68,829,320	1,056.7
100.0000.0112	REG CLASSIFIED SALARIES	$23,410,083	$25,133,007	$27,009,946	$29,114,847	731.8
100.0000.0113	REG ADMIN SALARIES	$6,466,675	$6,830,930	$7,040,219	$7,599,227	66.6
100.0000.0114	REG SUPERVISORY SALARIES	$1,661,928	$1,631,403	$1,863,479	$1,951,337	27.5
100.0000.0116	EARLY RETIREMENT STIPEND	$256,250	$46,600	$0	$0	0.0
100.0000.0121	SUBSTITUTES-LICENSED	$2,278,896	$2,380,140	$2,424,406	$3,831,000	0.0
100.0000.0122	SUBSTITUTES-CLASSIFIED	$1,510,930	$1,985,611	$1,874,883	$1,103,000	0.0
100.0000.0123	CERTIFIED TEMPORARY WAGE	$27,659	$23,029	$23,789	$30,000	0.0
100.0000.0124	TEMPORARY-CLASSIFIED	$1,034,055	$909,459	$1,140,275	$250,000	0.0
100.0000.0126	SUBSTITUTES-ADMIN	$0	$10,096	$10,399	$37,070	0.0
100.0000.0130	ADDITIONAL SALARIES	$0	$66,837	$38,746	$58,200	0.0
100.0000.0131	EXTENDED CONTRACT	$12,450	$1,020,940	$838,447	$1,120,765	0.0
100.0000.0132	DEPT COORDINATOR STIPEND	$625,317	$597,761	$653,485	$677,581	0.0
100.0000.0133	ATHLETIC COACHING PAY	$585,557	$591,398	$677,531	$717,063	0.0
100.0000.0134	ADVISOR PAY	$593,687	$165,591	$193,787	$230,742	0.0
100.0000.0135	STUDENT SUPERVISION PAY	$162,740	$79,365	$82,504	$82,504	0.0
100.0000.0136	ATHLETIC/ACTIVITY PAY	$77,340	$149,324	$167,427	$175,000	0.0
100.0000.0138	EXTRA DUTY STIPEND	$113,401	$0	$121,128	$0	0.0
100.0000.0139	OVERTIME SALARIES	$892,574	$1,190,549	$953,209	$934,545	0.0
100.0000.0140	OTHER TIME	$600,778	$552,738	$656,133	$671,335	0.0
100.0000.0144	STUDENT WAGES	$180	$9,427	$2,362	$5,958	0.0
TOTAL SALARIES		$95,458,159	$102,396,630	$111,769,707	$117,419,494	1,882.6
100.0000.0200	EMPLOYEE BENEFITS	$0	$0	$0	$0	0.0
100.0000.0211	PERS EMPLOYER CONTRBUTN	$7,963,640	$7,121,793	$6,215,332	$6,317,340	0.0
100.0000.0212	PERS-EMPLOYEE PICKUP	$0	$6,695,472	$0	$0	0.0
100.0000.0213	PERS UAL CONTRIBUTION	$6,341,627	$5,949,416	$8,928,829	$9,703,124	0.0
100.0000.0216	PERS EMPLOYER-TIER III	$5,559,614	-$55,136	$3,320,033	$3,655,649	0.0
100.0000.0218	PERS- PRIOR PERIOD REC	$5,866	$7,735,494	$0	$0	0.0
100.0000.0220	SOCIAL SECURITY ADMIN	$7,192,222	$488,228	$8,494,613	$8,982,591	0.0
100.0000.0231	WORKERS' COMPENSATION	$617,121	$100,827	$555,203	$587,097	0.0
100.0000.0232	UNEMPLOYMENT COMPENSTN	$93,653	$423,425	$111,041	$117,419	0.0
100.0000.0240	POST EMPLOYMENT BENEFIT	$0	$19,659,087	$0	$0	0.0
100.0000.0241	DISABILITY INSURANCE	$309,268	$116,298	$300,000	$450,000	0.0
100.0000.0242	MEDICAL INSURANCE	$18,725,430	$21,262	$21,289,117	$21,653,428	0.0
100.0000.0243	LIFE INSURANCE	$111,549	$107,010	$90,000	$90,000	0.0
100.0000.0244	EMPLOYEE ASSISTANCE	$19,188	$0	$0	$0	0.0
100.0000.0245	TRAVEL ALLOWANCE	$87,920	$0	$100,000	$100,000	0.0

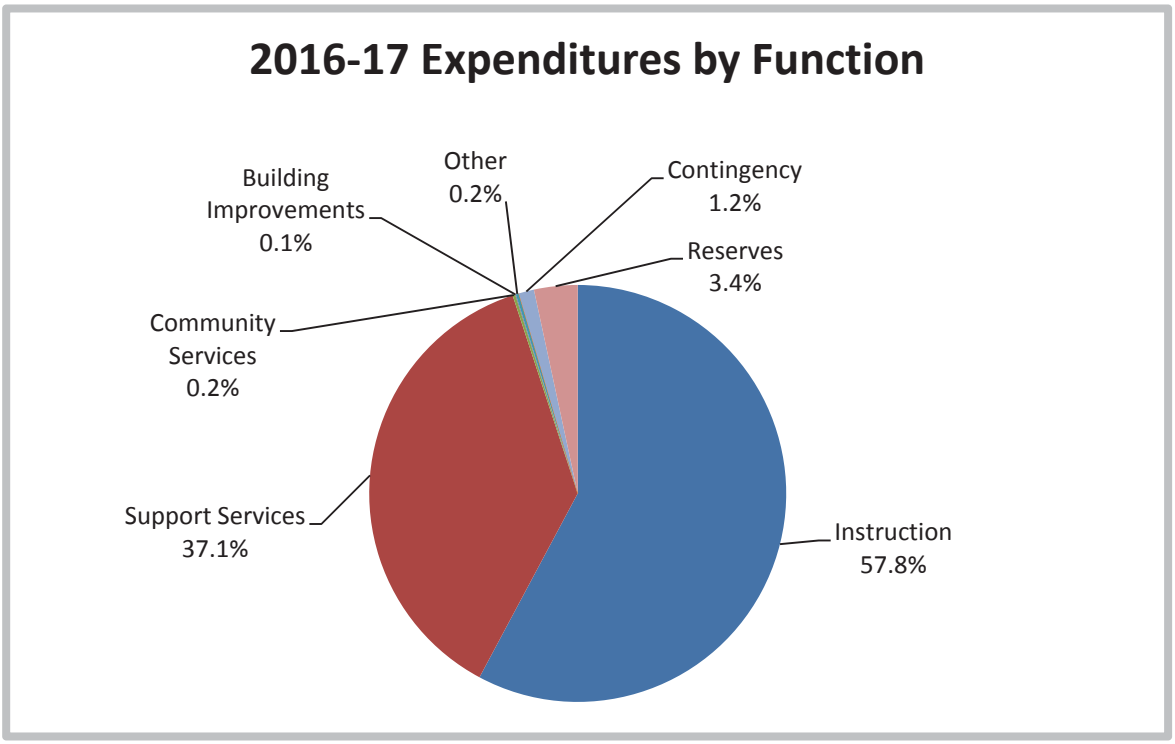
ACCOUNT	DESCRIPTION	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADOPTED	2016-17 ADOPTED	2016-17 FTE
100.0000.0246	DENTAL INSURANCE	$2,333,566	$2,535,107	$2,276,554	$2,459,020	0.0
100.0000.0247	EMPLOYER PROVIDED TSA	$35,600	$43,575	$0	$0	0.0
100.0000.0248	VISION INSURANCE	$474,962	$534,881	$150,000	$400,000	0.0
100.0000.0249	TUITION REIMBURSEMENT	$454,031	$436,888	$500,000	$500,000	0.0
100.0000.0251	ADMIN FLEX BENEFIT	$1,103,040	$1,166,646	$1,075,000	$1,250,000	0.0
100.0000.0252	DOMESTIC PARTNER TAXABLE	$1,686	$0	$0	$0	0.0
100.0000.0254	COMMUNICATIONS STIPEND	$37,887	$41,055	$0	$50,000	0.0
100.0000.0255	CLASSIFIED PROF IMPR	$0	$0	$10,000	$0	0.0
TOTAL BENEFITS		$51,467,870	$53,121,328	$53,415,722	$56,315,668	0.0
100.0000.0310	INSTRUCTION SERVICES	$19,344	$29,346	$24,180	$60,306	0.0
100.0000.0311	INSTRUCTION SERVICES	$29,821	$28,566	$80,923	$85,426	0.0
100.0000.0312	INSTR PROG IMPROVEMENT	$22,480	$93,108	$97,988	$101,097	0.0
100.0000.0313	STUDENT SERVICES	$778,372	$809,281	$518,588	$702,392	0.0
100.0000.0318	PROF IMPRV/NON INSTRUCT	$9,506	$20,045	$22,145	$21,550	0.0
100.0000.0319	OTHER PROF & TECH INSTRNL	$256,689	$412,214	$413,128	$526,099	0.0
100.0000.0320	PROPERTY SERVICES	$712	$1,027	$747	$548	0.0
100.0000.0321	CUSTODIAL SERVICES	$0	$0	$61	$0	0.0
100.0000.0322	REPAIR & MAINTENANCE	$2,894,728	$2,173,137	$3,079,422	$2,634,446	0.0
100.0000.0323	LAUNDRY & DRY CLEANING	$383,091	$384,969	$399,580	$355,816	0.0
100.0000.0324	RENTAL EXPENSE	$586,199	$197,352	$643,083	$597,244	0.0
100.0000.0325	ELECTRICITY	$2,609,593	$2,972,112	$2,941,454	$2,546,312	0.0
100.0000.0326	HEATING FUEL	$853,314	$706,258	$821,234	$783,135	0.0
100.0000.0327	WATER & SEWAGE	$1,004,323	$1,264,078	$1,214,519	$1,170,905	0.0
100.0000.0328	GARBAGE	$276,198	$317,720	$382,103	$350,001	0.0
100.0000.0329	OTHER PROPERTY SERVICES	$286,925	$257,432	$309,509	$287,760	0.0
100.0000.0330	STUDENT TRANSPORTATION	$75	$0	$0	$0	0.0
100.0000.0331	REIMBURSABLE STUDNT TRAN	($118,773)	($195,135)	-$165,667	-$165,667	0.0
100.0000.0332	NONREIMB STUDENT TRANS	$115,266	$122,536	$121,294	$125,128	0.0
100.0000.0340	TRAVEL	$342,297	$599,844	$525,848	$528,608	0.0
100.0000.0342	TRAVEL – IN DISTRICT	$140	$831	$872	$456	0.0
100.0000.0343	STUDENT OUT OF DIST TRANS	$0	$4,661	$2,532	$3,542	0.0
100.0000.0351	TELEPHONE	$70,150	$52,743	$64,529	$85,910	0.0
100.0000.0353	POSTAGE	$157,599	$159,696	$178,991	$144,838	0.0
100.0000.0354	ADVERTISING	$5,209	$6,264	$16,464	$21,416	0.0
100.0000.0355	PRINTING AND BINDING	$50,223	$186,461	$172,822	$172,822	0.0
100.0000.0360	CHARTER SCHOOL PAYMENTS	$1,011,918	$1,080,988	$1,208,235	$1,305,501	0.0
100.0000.0371	TUITION TO PUBLIC SCHOOLS	$152,069	$167,605	$201,576	$181,313	0.0
100.0000.0372	TUITION-OUTSIDE STATE	$12,928	$0	$0	$0	0.0
100.0000.0373	TUITION TO PRIVATE SCHOOL	$90,638	$7,943	$139,932	$88,216	0.0

ACCOUNT	DESCRIPTION	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADOPTED	2016-17 ADOPTED	2016-17 FTE
100.0000.0380	NON-INSTRUCT PROF SERV	$302	$256	$0	$213,211	0.0
100.0000.0381	AUDIT SERVICES	$32,580	$85,000	$85,660	$85,660	0.0
100.0000.0382	LEGAL SERVICES	$98,792	$138,553	$128,391	$121,998	0.0
100.0000.0383	ARCHITECT/ENGINEER SVCS	$83,444	$212,853	$211,281	$106,162	0.0
100.0000.0384	NEGOTIATION SERVICES	$0	$0	$20,044	$0	0.0
100.0000.0388	ELECTION SERVICES	$64,813	$28,429	$10,657	$30,000	0.0
100.0000.0390	OTHER PROF & TECH SRV	$2,844,607	$3,257,572	$3,167,670	$3,350,000	0.0
100.0000.0392	BANK SERVICE FEES	$21,495	$32,035	$0	$0	0.0
100.0000.0391	SUBSTITUTE – LICENSED	$0	$88,269	$0	$0	0.0
100.0000.0393	GRANT REFUND	$2,938	$0	$0	$0	0.0
100.0000.0399	SUBSTITUTE – CLASSIFIED	$0	$266,115	$0	$0	0.0
TOTAL PURCHASED SERVICES		$15,050,005	$15,970,164	$17,039,795	$16,622,151	0.0
100.0000.0410	SUPPLIES AND MATERIALS	$2,967,027	$3,452,304	$3,734,540	$2,801,451	0.0
100.0000.0412	CUSTODIAL SUPPLIES	$0	$0	$0	$355,835	0.0
100.0000.0418	GASOLINE AND OIL	$1,118,237	$944,719	$1,100,785	$1,100,785	0.0
100.0000.0419	TIRES	$84,631	$47,660	$48,265	$49,688	0.0
100.0000.0420	TEXTBOOKS	$105,350	$262,315	$457,075	$457,075	0.0
100.0000.0430	LIBRARY BOOKS	$24,447	$32,685	$32,727	$28,351	0.0
100.0000.0440	PERIODICAL SUBSCRIPTIONS	$20,416	$27,011	$31,074	$30,273	0.0
100.0000.0460	NON-CONSUMABLE ITEMS	$135,138	$416,589	$236,849	$226,751	0.0
100.0000.0461	<$5000 EQUIPMENT	$62,279	$628,943	$260,602	$461,283	0.0
100.0000.0470	COMPUTER SOFTWARE	$556,294	$1,064,908	$828,233	$1,204,916	0.0
100.0000.0480	COMPUTER HARDWARE	$473,229	$1,316,191	$523,263	$554,960	0.0
100.0000.0481	<$5000 COMPUTER HARDWAR	$327,755	$815,062	$1,132,779	$811,004	0.0
TOTAL SUPPLIES & MATERIALS		$5,874,803	$9,008,387	$8,386,192	$8,082,372	0.0
100.0000.0520	BUILDING ACQUISITIONS	$25,025	$1,343,770	$0	$0	0.0
100.0000.0540	CAPITAL EQUIPMENT	$50,154	$983,014	$157,824	$241,469	0.0
100.0000.0542	REPLACEMENT EQUIPMENT	$0	$55,803	$0	$0	0.0
100.0000.0550	CAPITAL TECHNOLOGY	$0	$24,024	$26,590	$8,584	0.0
TOTAL CAPITAL EQUIPMENT		$75,179	$2,406,611	$184,414	$250,053	0.0
100.0000.0610	REDEMPTION OF PRINCIPAL	$405,000	$714,666	$726,024	$745,314	0.0
100.0000.0621	INTEREST	$128,099	$109,850	$102,195	$80,805	0.0
100.0000.0640	DUES & FEES	$203,448	$267,720	$266,722	$247,013	0.0
100.0000.0650	INSURANCE AND JUDGMENTS	$52,270	$86,717	$0	$0	0.0
100.0000.0651	LIABILITY INSURANCE	$295,329	$295,947	$311,343	$324,648	0.0
100.0000.0652	FIDELITY BOND PREMIUMS	$200	$100	$105	$343	0.0
100.0000.0653	PROPERTY & CASULTY INS	$765,798	$711,075	$757,114	$826,192	0.0

ACCOUNT	DESCRIPTION	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADOPTED	2016-17 ADOPTED	2016-17 FTE
100.0000.0655	JUDGEMENTS & SETTLEMNTS	$2,223	$104,013	$63,394	$143,017	0.0
100.0000.0670	TAXES & LICENSES	$38,421	$32,396	$33,949	$29,081	0.0
TOTAL DUES AND FEES		$1,890,788	$2,322,483	$2,260,846	$2,396,413	0.0
100.0000.790	TRANSFER TO PERS RESERVE	$0	$0	$500,000	$0	0.0
TOTAL TRANSFERS		$0	$0	$500,000	$0	$0
100.0000.0810	PLANNED RESERVE	$0	$0	$2,500,000	$2,500,000	0.0
100.0000.0820	RESERVED FOR NEXT YEAR	$14,456,893	$17,604,269	11,324,319	$7,104,527	0.0
TOTAL EXPENDITURES		$184,273,697	$202,829,852	$207,380,995	$210,690,678	1,882.6

2016-17 General Fund Budget by Function Summary

Function	Description	2014-15 Actuals	2015-16 Adopted	2016-17 Adopted	2016-17 Increase/Decrease from Prior Year
Instruction	Direct classroom	$106,208,629	$113,421,290	$121,494,586	7.39%
Support Services	Counselors, media, assessment, central administration, facilities, transportation	$77,984,425	$78,380,492	$78,243,885	-0.17%
Community Services	Office of Hispanic Outreach	$398,877	$406,679	$414,813	2.00%
Building Improvements	Building acquisitions and capital improvements	$103,802	$0	$106,748	+100%
Other	Debt Service on administration building	$529,850	$848,214	$826,119	-2.60%
Transfers	Transfer to PERS Reserve Fund	$0	$500,000	$0	-100.00%
Contingency	Unexpected expenditures	$0	$2,500,000	$2,500,000	0.00%
Reserves	Next year's reserve	$17,604,269	$11,324,319	$7,104,527	-37.26%
Total		$202,829,852	$207,380,995	$210,690,678	1.60%



General Fund by Function

ACCOUNT	DESCRIPTION	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADOPTED	2016-17 ADOPTED	2016-17 FTE
100.1111.0000	PRIMARY EDUCATION	$36,504,540	$38,408,202	$42,206,043	$45,107,972	464.1
100.1112.0000	INTERMEDIATE PROGRAMS	$10,215	$942	$8,503	$1,639	0.0
100.1113.0000	ELEMENTARY EXTRACURRIC	$56,351	$191,256	$109,154	$218,745	0.0
100.1121.0000	MIDDLE SCHOOL PROGRAMS	$10,025,293	$10,304,473	$11,048,441	$11,812,185	114.7
100.1122.0000	MIDDLE SCHL EXTRACURRIC	$62,172	$94,166	$88,455	$120,168	0.0
100.1123.0000	SATURDAY SCHOOL-MIDDLE	$3,446	$6,371	$9,905	$8,163	0.0
100.1131.0000	HIGH SCHOOL PROGRAMS	$19,900,178	$21,015,889	$21,401,132	$22,249,720	214.2
100.1132.0000	HIGH SCHOOL EXTRACURRIC	$2,269,686	$2,236,253	$2,660,561	$2,785,429	7.9
100.1133.0000	SATURDAY SCHOOL-HIGH SCH	$12,576	$10,254	$33,462	$13,160	0.0
100.1140.0000	PRE-KINDERGARTEN PRGMS	$0	$0	$0	$0	0.0
100.1210.0000	TALENTED AND GIFTED	$321,558	$447,824	$595,268	$607,173	2.3
100.1221.0000	LEARNING CNTRS-STRUCTUR	$7,134,637	$7,831,081	$7,552,336	$9,637,142	135.4
100.1223.0000	COMMUNITY TRANSITION	$948,141	$1,083,452	$1,340,161	$1,563,614	23.4
100.1224.0000	LIFE SKILLLS WITH NURSING	$892,162	$1,184,278	$1,176,851	$1,200,388	14.0
100.1225.0000	OUT OF DISTRICT PROGRAMS	$124,196	$50,493	$201,281	$201,281	0.0
100.1226.0000	HOME INSTRUCTION	$157,198	$166,724	$180,254	$170,763	1.0
100.1227.0000	EXTENDED SCHOOL YR	$93,026	$107,670	$129,576	$132,168	0.0
100.1230.0000	PHYSICALLY DISABLED	$0	$215	$0	$408	0.0
100.1250.0000	LESS RESTRICTIVE PROGRMS	$11,503,153	$12,375,874	$12,734,775	$12,989,471	151.5
100.1272.0000	TITLE I	$6,690	$22,532	$18,158	$821	0.0
100.1280.0000	ALTERNATIVE EDUCATION	$1,534,731	$1,576,674	$1,818,621	$1,854,993	11.0
100.1288.0000	CHARTER SCHOOLS	$1,412,017	$1,080,988	$1,208,235	$1,305,501	0.0
100.1289.0000	OPTIONS PROGRAMS	$0	$508,061	$447,310	$500,226	0.8
100.1290.0000	DESIGNATED PROGRAMS	$92	$1,157	$233	$1,128	0.0
100.1291.0000	ENGLISH 2ND LANGUAG PROG	$6,900,408	$7,088,199	$7,913,044	$8,353,620	98.9
100.1292.0000	TEEN PARENT PROGRAMS	$361,830	$337,243	$422,273	$430,718	4.1
100.1294.0000	YOUTH CORRECTN EDUCATN	$70,686	$75,742	$113,392	$106,379	1.0
100.1296.0000	ACADEMIC INTERVENTIONS	$0	$0	$0	$121,611	1.3
100.1430.0000	SECONDARY SUMMER SCH	$0	$2,616	$3,866	$0	0.0
TOTAL INSTRUCTIONAL SERVICES		$100,304,982	$106,208,629	$113,421,290	$121,494,586	1,245.5
100.2110.0000	ATTENDANC & SOCL WRK SVC	$344,324	$378,020	$393,592	$385,626	4.0
100.2112.0000	ATTENDANCE SERVICES	$454,887	$427,145	$448,325	$457,292	5.7
100.2113.0000	SOCIAL WORK SERVICES	$80,640	$0	$0	$0	10.0
100.2115.0000	STUDENT SAFETY	$763,461	$755,508	$906,140	$924,263	10.5
100.2116.0000	BEHAVIORIAL SERVICES	$0	$482,132	$298,700	$304,674	0.0
100.2122.0000	COUNSELING SERVICES	$4,775,848	$4,773,171	$5,022,194	$5,122,638	48.2
100.2126.0000	PLACEMENT SERVICES	$334,347	$352,908	$349,569	$357,496	3.4
100.2130.0000	HEALTH SERVICES	$49,720	$54,005	$52,988	$54,048	0.6

ACCOUNT	DESCRIPTION	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADOPTED	2016-17 ADOPTED	2016-17 FTE
100.2132.0000	MEDICAL SERVICES	$38,066	$40,261	$43,789	$44,665	0.0
100.2134.0000	NURSE SERVICES	$612,987	$661,867	$451,199	$460,223	6.9
100.2139.0000	OTHER HEALTH SERVICES	$423,171	$401,974	$465,140	$559,098	3.9
100.2140.0000	PSYCHOLOGICAL SERVICES	$625,812	$685,746	$736,891	$890,088	8.2
100.2150.0000	SPEECH & AUDIO SERVICES	$2,232,068	$2,579,808	$2,337,843	$2,423,164	28.0
100.2160.0000	STUDENT TREATMNT CENTER	$93,798	$91,390	$8,474	$79,333	0.0
100.2190.0000	STUDENT SERVICES DIRECTR	$284,366	$242,095	$180,448	$214,050	0.0
100.2210.0000	IMPROVEMNT OF INSTRCTN	$811,519	$1,019,520	$672,356	$685,803	2.0
100.2211.0000	SERVICE AREA DIRECTION	$2,713	$1,015	$1,044	$937	0.0
100.2212.0000	OTHER CURRICULUM INSTR	$172	$199	$0	$161	0.0
100.2213.0000	CURRICULUM DEVELOPMENT	$197,870	$533,584	$547,548	$582,700	0.0
100.2219.0000	OTHER IMPRV OF INST	$0	$0	$0	$129	0.0
100.2220.0000	EDUCATIONAL MEDIA SVCS	$1,456	$552	$3,693	$355	0.0
100.2222.0000	LIBRARY MEDIA CENTER	$1,203,727	$1,252,507	$1,430,443	$1,459,052	15.3
100.2223.0000	MULTIMEDIA SERVICES	$9,141	$6,693	$5,032	$5,436	0.0
100.2230.0000	ASSESSMENT & TESTING	$252,817	$314,922	$309,414	$415,078	0.0
100.2240.0000	INSTRUCTNL STAFF DEVELOP	$456,584	$890,192	$728,599	$743,171	5.8
100.2310.0000	BOARD OF EDUCATION	$230,078	$209,818	$205,057	$249,831	1.0
100.2321.0000	OFFICE OF SUPERINTENDENT	$879,334	$957,638	$971,081	$990,503	2.0
100.2410.0000	OFFICE OF THE PRINCIPAL	$12,564,564	$13,037,736	$13,515,826	$13,786,143	114.5
100.2490.0000	OTHER ADMINISTRATION	$1,288,493	$1,661,181	$1,552,766	$1,583,821	17.5
100.2510.0000	DIRECTOR BUSINESS SVC	$833,129	$863,353	$1,078,305	$1,099,871	7.2
100.2520.0000	FISCAL SERVICES	$36,052	$253,983	$207,795	$224,275	0.0
100.2524.0000	PAYROLL SERVICES	$379,464	$374,105	$450,859	$459,876	4.6
100.2525.0000	FINANCIAL ACCOUNTING	$208,966	$228,794	$239,216	$244,000	3.0
100.2528.0000	RISK MANAGEMENT SERVICES	$103,157	$228,774	$172,695	$176,149	1.0
100.2529.0000	OTHER FISCAL SERVICES	$32,791	$25,055	$39,461	$40,250	0.0
100.2540.0000	FACILITIES MAINTENANCE	$18,133,707	$21,507,219	$21,196,191	$19,817,521	117.1
100.2542.0000	ENERGY RETROFIT- SB1149	$63,951	$0	$0	$0	0.0
100.2545.0000	HVAC SERVICES	$651,984	$325,070	$558,066	$569,227	0.0
100.2550.0000	STUDENT TRANSPORTATION	$13,042,757	$13,803,448	$14,371,846	$14,659,283	166.8
100.2573.0000	WAREHOUSE/DISTRIBUTION	$98,568	$24,834	$55,639	$56,752	0.5
100.2574.0000	PRINTING SERVICES	$24,538	$178,861	$548,334	$559,301	4.0
100.2620.0000	PLANNING & DEVELPMNT SVC	$24,996	$0	$0	$0	0.0
100.2630.0000	COMMUNITY RELATIONS	$387,442	$593,208	$649,287	$662,273	4.0

ACCOUNT	DESCRIPTION	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADOPTED	2016-17 ADOPTED	2016-17 FTE
100.2639.0000	OTHER INFORMATION SRVS	$30,070	$69,657	$56,650	$59,099	1.0
100.2640.0000	STAFF SERVICES	$1,293,851	$1,444,286	$1,576,240	$1,607,765	12.4
100.2660.0000	TECHNOLOGY SERVICES	$3,833,869	$6,071,078	$5,352,750	$5,090,731	24.2
100.2670.0000	RECORDS MANAGEMENT	$17,775	$15,272	$13,822	$15,699	0.0
100.2690.0000	COORDINATION OF OPER	$163,859	$116,227	$175,185	$122,035	0.0
100.2700.0000	EARLY RETIREMENT	$269,019	$49,614	$0	$0	0.0
TOTAL SUPPORT SERVICES		$68,638,907	$77,984,425	$78,380,492	$78,243,885	633.4
100.3390.0000	OTHER COMMUNITY SERVICES	$337,114	$398,877	$406,679	$414,813	4.1
TOTAL OFFICE OF HISPANIC OUTREACH		$337,114	$398,877	$406,679	$414,813	4.1
100.4150.0000	BUILDING IMPROVEMENTS	$0	$103,802	$0	$106,748	0.0
TOTAL BUILDING IMPROVEMENTS		$0	$103,802	$0	$106,748	0.0
100.5110.0000	LONG TERM DEBT SERVICE	$532,800	$529,850	$848,214	$826,119	0.0
TOTAL DEBT SERVICES		$532,800	$529,850	$848,214	$826,119	0.0
100.5200.0000	TRANSFER TO PERS RESERVE	$0	$0	$500,000	$0	0.0
TOTAL TRANSFERS		$0	$0	$500,000	$0	0.0
100.6110.0000	OPERATING CONTINGENCY	$0	$0	$2,500,000	$2,500,000	0.0
100.7000.0000	UNAPPROPRIATED END BAL	$14,456,893	$17,604,269	$11,324,319	7,104,527	0.0
TOTAL EXPENDITURES		$184,273,697	$202,829,852	$207,380,995	$210,690,678	1,882.6

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.

1279 Title I Services – Private Schools
Title I instructional activities for students attending private schools. 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.

1282 Alternative Education – Private Schools
Alternative programs outside the regular school setting for students attending private schools. This 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.

2133 Dental Services
Activities related to student dental, including screenings, examinations, emergency 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.

2144 Psychotherapy 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.

2324 **State and Federal Relations Services**
Includes expenses related to working with state and federal officials.

2329 **Safe Schools/Healthy Students Program Management**
Includes General Fund expenses related to the management of the Safe Schools/Healthy Students grant.

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.

2700 **Early Retirement Program**
Includes costs associated with a District-sponsored early retirement program.

3390 **Other Community Services**
Services provided for the community, such as parental involvement and college scholarship expenditures.

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 Funds

2016-17 BUDGET
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.

Due to account number limitations, Special Revenue Funds are shown as "Part 1" and "Part 2" in Resource and Requirements printouts. Part 1 funds are designated for specific local, state, or federal grants. Part 2 is Nutrition Services.

RESOURCES		
Special Revenue Part 1	(Funds 101 - 299)	$29,959,872
Special Revenue Part 2	(Funds 500 - 599)	$8,985,085
Total Resources		$38,944,957

REQUIREMENTS		
Special Revenue Part 1	(Funds 101 - 299)	$29,959,872
Special Revenue Part 2	(Funds 500 - 599)	$8,985,085
Total Requirements		$38,944,957

2016-17 BUDGET RESOURCES – SPECIAL FUNDS (PART 1 – GRANTS)

ACCOUNT	DESCRIPTION	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADOPTED	2016-17 ADOPTED
2XX.0000.1200	CONSTRUCTION EXCISE TAX	$847,482	$998,908	$800,439	$1,244,143
2XX.0000.1744	STUDENT PARTICIPATION FEE	$4,229,935	$4,032,784	$3,995,138	$5,022,846
2XX.0000.1746	STUDENT TESTING FEES	$975	$1,275	$921	$1,588
2XX.0000.1780	TEXTBOOK SALES	$322	$0	$304	$0
2XX.0000.1910	RENTAL/BLDG USAGE	$80	$0	$76	$0
2XX.0000.1920	DONATION FROM PRIV SOURCE	$874,240	$908,813	$825,712	$1,131,930
2XX.0000.1940	SERVCS/OTHER AGENCIES	$20,000	$47,328	$18,890	$58,947
2XX.0000.1960	RECOVERY PRIOR YEAR	($9,366)	$0	($8,846)	$0
2XX.0000.1990	MISCELLANEOUS REVENUE	$365,567	$0	$345,275	$0
2XX.0000.1993	REIMBURSE/EXPENSE	$36,975	$15,814	$34,923	$19,696
2XX.0000.1997	SETTLEMENTS	$740,000	$0	$698,924	$0
2XX.0000.2200	RESTRICTED REVENUE	$44,366	$548,511	$41,903	$683,172
2XX.0000.2212	PUBLIC PURPOSE CHARGE REV	$384,047	$388,839	$362,729	$484,300
2XX.0000.3200	RESTRICTED GRANTS IN AID	$1,069,384	$951,530	$1,010,024	$1,185,134
2XX.0000.3222	SSF TRANSPORTATION EQUIP	$810,000	$810,000	$765,038	$1,008,858
2XX.0000.3299	OTHER RESTRICTED GRANTS	$485,486	$0	$458,537	$0
2XX.0000.4000	FEDERAL SOURCES	$55,768	$0	$52,672	$0
2XX.0000.4100	UNRESTR DIR FROM FED GOVT	$16,248	$16,636	$15,346	$20,720
2XX.0000.4300	RES REV DIRECT FROM FED GOV	$20,024	$0	$18,912	$0
2XX.0000.4500	RESTR FROM FED THRU STATE	$520,193	$430,422	$491,318	$536,092
2XX.0000.4501	TITLE I REVENUES	$4,122,233	$4,815,287	$3,893,413	$5,997,456
2XX.0000.4505	SCHOOL NUTRITION REVENUE	$127,419	$322,083	$120,346	$401,155
2XX.0000.4506	PERKINS VOC ED REVENUE	$102,635	$149,920	$96,938	$186,726
2XX.0000.4508	IDEA (PL 101-476)	$2,806,062	$2,236,271	$2,650,301	$2,785,283
2XX.0000.4509	TITLE ID REVENUES	$14,656	$19,617	$13,842	$24,443
2XX.0000.4511	TITLE IG-FUND REVENUE	$0	$0	$0	$0
2XX.0000.4512	TITLE II REVENUE	$506,257	$570,821	$478,155	$710,959
2XX.0000.4515	SCHOOL BASED HEALTH CENTER	$0	$0	$0	$0
2XX.0000.4540	REGIONAL DATA WAREHOUSE	$0	$0	$0	$0
2XX.0000.4545	FOCUS PLANNING	$88,436	$92,833	$83,527	$115,624
2XX.0000.4580	HOMELESS GRANT	$45,752	$52,677	$43,212	$65,609
2XX.0000.4700	GRANTS FROM FED THRU OTHR	$564,859	$694,611	$533,504	$865,140
2XX.0000.4705	DEPENDT CARE BLOCK GRANT	$87,255	$91,357	$82,412	$113,785
2XX.0000.5100	LONG-TERM DEBT FINANCE SOURCE	$1,554,058	$1,430,050	$1,467,794	$1,781,132
2XX.0000.5400	BEGINNING FUND BALANCE	$4,307,291	$4,428,042	$4,068,199	$5,515,134
TOTAL RESOURCES		$24,838,639	$24,054,429	$23,459,878	$29,959,872

2016-17 SPECIAL REVENUE EXPENDITURES BY OBJECT (PART 1 – GRANTS)

ACCOUNT	DESCRIPTION	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADOPTED	2016-17 ADOPTED
2XX.0000.0111	REG LICENSED SALARIES	$2,916,700	$3,046,933	$2,894,646	$3,794,965
2XX.0000.0112	REG CLASSIFIED SALARIES	$1,405,172	$1,457,874	$1,394,546	$1,815,787
2XX.0000.0113	REG ADMIN SALARIES	$595,397	$677,631	$590,894	$843,993
2XX.0000.0114	REG SUPERVISORY SALARIES	$90,540	$49,388	$89,855	$61,513
2XX.0000.0121	SUBSTITUTES-LICENSED	$318,018	$424,739	$315,613	$529,014
2XX.0000.0122	SUBSTITUTES-CLASSIFIED	$50,734	$36,930	$50,350	$45,997
2XX.0000.0123	CERTIFIED TEMPORARY WAGE	$104,573	$109,884	$103,782	$136,861
2XX.0000.0124	TEMPORARY-CLASSIFIED	$96,597	$88,722	$95,867	$110,504
2XX.0000.0131	EXTENDED CONTRACT	$371,133	$547,844	$368,326	$682,341
2XX.0000.0132	DEPT COORDINATOR STIPEND	$4,113	$0	$4,082	$0
2XX.0000.0133	ATHLETIC COACHING PAY	$0	$0	$0	$0
2XX.0000.0134	ADVISOR PAY	$5,000	$7,200	$4,962	$8,968
2XX.0000.0136	ATHLETIC/ACTIVITY PAY	$2,133	$2,616	$2,117	$3,259
2XX.0000.0138	EXTRA DUTY STIPEND	$0	$0	$0	$0
2XX.0000.0139	OVERTIME WAGES	$2,191	$9,660	$2,174	$12,032
2XX.0000.0140	OTHER TIME	$14,609	$9,790	$14,499	$12,193
2XX.0000.0144	STUDENT WAGES	$11,397	$9,009	$11,311	$11,221
2XX.0000.02XX	EMPLOYEE BENEFITS	$2,894,054	$2,915,620	$2,872,168	$3,631,415
2XX.0000.0310	INST, PROF & TECH SERVICE	$23,001	$75,984	$22,827	$94,638
2XX.0000.0311	INSTRUCTION SERVICES	$277,498	$387,995	$275,399	$483,249
2XX.0000.0312	INSTR PROG IMPROVEMENT	$101,047	$176,752	$100,283	$220,145
2XX.0000.0313	STUDENT SERVICES	$4,951	$0	$4,914	$0
2XX.0000.0318	PROF IMPROVE/NON-INSTRUCT	$0	$525	$0	$654
2XX.0000.0319	OTHER PROF & TECH INSTRNL	$104,832	$124,898	$104,039	$155,561
2XX.0000.0322	REPAIR & MAINTENANCE	$1,421	$2,561	$1,410	$3,189
2XX.0000.0323	LAUNDRY & DRY CLEANING	$704	$751	$699	$935
2XX.0000.0324	RENTAL EXPENSE	$2,103	$10,720	$2,087	$13,352
2XX.0000.0325	ELECTRICITY	$0	$0	$0	$0
2XX.0000.0326	HEATING FUEL	$0	$0	$0	$0
2XX.0000.0327	WATER & SEWAGE	$0	$0	$0	$0
2XX.0000.0328	GARBAGE	$0	$0	$0	$0
2XX.0000.0330	STUDENT TRANSPORTATION	$90	$480	$89	$598
2XX.0000.0331	REIMBURSABLE STUDENT TRAN	$63,179	$123,612	$62,701	$153,959
2XX.0000.0332	NONREIMB STUDENT TRANSPT	$2,389	$1,279	$2,371	$1,593
2XX.0000.0340	TRAVEL	$270,922	$446,394	$268,873	$555,986

ACCOUNT	DESCRIPTION	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADOPTED	2016-17 ADOPTED
2XX.0000.0343	STUDENT OUT OF DIST TRANS	$14,052	$11,803	$13,946	$14,700
2XX.0000.0351	TELEPHONE	$286	$0	$284	$0
2XX.0000.0353	POSTAGE	$6,878	$2,707	$6,826	$3,372
2XX.0000.0354	ADVERTISING	$490	$0	$486	$0
2XX.0000.0355	PRINTING & BINDING	$11,644	$11,744	$11,556	$14,627
2XX.0000.0370	TUITION	$1,703	$0	$1,690	$0
2XX.0000.0373	TUTION TO PRIVATE SCHOOL	$0	$0	$0	$0
2XX.0000.0380	NON-INSTRUCT PROF SERVICES	$500	$0	$496	$0
2XX.0000.0383	ARCHITECT/ENGINEER SERVCS	$21,335	$0	$21,174	$0
2XX.0000.0390	OTHER GEN PROF & TECH SRV	$360,010	$262,883	$357,288	$327,421
2XX.0000.0410	SUPPLIES & MATERIALS	$4,641,914	$4,300,688	$4,606,811	$5,356,521
2XX.0000.0415	USDA COMMODITIES	$0	$0	$0	$0
2XX.0000.0418	GASOLINE & OIL	$798	$292	$792	$363
2XX.0000.0420	TEXTBOOKS	$0	$0	$0	$0
2XX.0000.0430	LIBRARY BOOKS	$375	$388	$372	$483
2XX.0000.0440	PERIODICAL SUBSCRIPTIONS	$4,501	$21,628	$4,467	$26,938
2XX.0000.0450	FOOD	$65,003	$105,080	$64,511	$130,877
2XX.0000.0460	NON-CONSUMABLE ITEMS	$44,913	$59,060	$44,573	$73,560
2XX.0000.0461	<$5000 EQUIPMENT	$6,106	$26,190	$6,060	$32,619
2XX.0000.0470	COMPUTER SOFTWARE	$21,930	$52,894	$21,764	$65,880
2XX.0000.0480	COMPUTER HARDWARE	$232,810	$177,316	$231,049	$220,848
2XX.0000.0481	<$5000 COMPUTER HARDWARE	$129,898	$65,885	$128,916	$82,060
2XX.0000.0520	BUILDINGS ACQUISITION	$512,654	$0	$508,777	$0
2XX.0000.0530	IMPROV OTHER THAN BLDGS	$1,003,000	$117,411	$995,415	$146,236
2XX.0000.0540	CAPITAL EQUIPMENT	$1,673,042	$1,524,292	$1,660,390	$1,898,510
2XX.0000.0542	REPLACEMENT EQUIPMENT	$0	$0	$0	$0
2XX.0000.0550	CAPITAL TECHNOLOGY	$261,332	$12,262	$259,356	$15,272
2XX.0000.0610	PRINCIPAL	$756,422	$1,046,006	$750,702	$1,302,804
2XX.0000.0622	INTEREST	$30,378	$36,139	$30,148	$45,012
2XX.0000.0640	DUES & FEES	$16,335	$32,107	$16,211	$39,989
2XX.0000.0651	LIABILITY INSURANCE	$0	$0	$0	$0
2XX.0000.0670	TAXES & LICENSES	$0	$1,450	$0	$1,806
2XX.0000.0690	GRANT INDIRECT CHARGES	$210,381	$384,786	$208,790	$479,252
2XX.0000.0790	INTERFUND TRANSFERS	$1,200,000	$0	$0	$0
2XX.0000.0820	RESERVED FOR NEXT YEAR	$3,875,451	$5,055,627	$3,846,144	$6,296,800
TOTAL EXPENDITURES		$24,838,639	$24,054,429	$23,459,878	$29,959,872

2016-17 SPECIAL REVENUE EXPENDITURES BY FUNCTION (PART 1 – GRANTS)

ACCOUNT	DESCRIPTION	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADOPTED	2016-17 ADOPTED
2XX.1111.0000	PRIMARY PROGRAMS K-3	$285,729	$344,635	$283,567	$429,244
2XX.1113.0000	ELEMENTRY EXTRACURRICULAR	$248,824	$296,361	$246,943	$369,119
2XX.1121.0000	MIDDLE SCHOOL PROGRAMS	$44,018	$15,406	$43,686	$19,189
2XX.1122.0000	MIDDLE SCH EXTRACURRICULR	$233,727	$205,364	$231,959	$255,781
2XX.1131.0000	HIGH SCHOOL PROGRAMS	$246,597	$323,862	$244,733	$403,371
2XX.1132.0000	HIGH SCH EXTRACURRICULAR	$3,730,152	$3,357,865	$3,701,944	$4,182,232
2XX.1133.0000	HIGH SCHOOL SATURDAY SCHOOL	($1,336)	$0	($1,326)	$0
2XX.1140.0000	PRE-KINDERGARTEN PROGRAMS	$0	$0	$0	$0
2XX.1210.0000	TALENTED & GIFTED PROGRAMS	$0	$0	$982,604	$0
2XX.1221.0000	LEARNING CNTRS-STRUCTURED	$990,091	$1,009,217	$615,393	$1,256,983
2XX.1223.0000	COMMUNITY TRANSITION SRVC	$620,082	$585,067	$256,280	$728,702
2XX.1224.0000	LIFE SKILLS WITH NURSING	$258,233	$0	$0	$0
2XX.1225.0000	OUT OF DISTRICT PROGRAMS	$0	$0	$0	$0
2XX.1227.0000	EXTENDED SCHOOL YR PROGRAM	$0	$0	$0	$0
2XX.1250.0000	LESS RESTR PROG-DISABLED	$306,358	$297,202	$304,041	$370,166
2XX.1260.0000	EARLY INTERVENTION	$0	$0	$0	$0
2XX.1271.0000	REMEDIATION	$0	$0	$0	$0
2XX.1272.0000	TITLE I	$2,651,487	$3,037,496	$2,631,436	$3,783,212
2XX.1279.0000	TITLE I SERVICES-PRIV SCH	$0	$0	$0	$0
2XX.1280.0000	ALTERNATIVE EDUCATION	$477,207	$495,984	$473,598	$617,750
2XX.1282.0000	ALTERNATIVE EDUCATION	$0	$0	$0	$0
2XX.1290.0000	DESIGNATED PROGRAMS	$0	$115	$0	$143
2XX.1291.0000	ENGLISH 2ND LANG PROGRAMS	$1,552	$13,451	$1,540	$16,754
2XX.1292.0000	TEEN PARENT PROGRAMS	$89,946	$92,703	$89,266	$115,462
2XX.1293.0000	MIGRANT EDUCATION	$163,566	$269,798	$162,329	$336,035
2XX.1295.0000	INDIAN EDUCATION PROGRAM	$16,363	$16,636	$16,239	$20,721
2XX.1400.0000	SUMMER SCHOOL PROGRAMS	$62,573	$21,128	$62,100	$26,315
2XX.1410.0000	SUMMER SCHOOL-INTERMEDIAT	$33,192	$35,803	$32,941	$44,593
2XX.1420.0000	SUMMER SCHOOL-INTERMEDIAT	$14,428	$14,330	$14,319	$17,849
2XX.1430.0000	SECONDARY SUMMER	$32,190	$26,255	$31,946	$32,701
2XX.1440.0000	K-3 SUMMER SCHOOL PROGRAM	$66,861	$63,201	$66,355	$78,717
2XX.1490.0000	SECONDARY SUMMER SCHOOL	$22,136	$32,129	$21,969	$40,016
2XX.1495.0000	ID & RCRTMNT - MIGRANT SUMMR	$6,077	$3,045	$6,031	$3,793
2XX.2100.0000	SUPPORT SERVICES-STUDENTS	$6,326	$121,230	$6,278	$150,992
2XX.2110.0000	ATTNDNCE & SOCIAL WRK SRV	$37	$0	$36	$0
2XX.2113.0000	SOCIAL WORK SERVICES	$0	$0	$0	$0
2XX.2117.0000	ID & RCRTMNT OF MIGRANT	$138,321	$151,451	$137,275	$188,146

ACCOUNT	DESCRIPTION	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADOPTED	2016-17 ADOPTED
2XX.2119.0000	OTHER ATTEN & SOCIAL SVCS	$176,785	$188,211	$175,448	$234,417
2XX.2120.0000	GUIDANCE SERVICES	$10,727	$6,000	$10,646	$7,473
2XX.2122.0000	COUNSELING SERVICES	$4,949	$3,364	$4,911	$4,190
2XX.2126.0000	PLACEMENT SERVICES	$7,753	$7,753	$7,694	$9,656
2XX.2130.0000	HEALTH SERVICES	$1,360	$1,207	$1,350	$1,504
2XX.2132.0000	MEDICAL SERVICES	$244	$0	$242	$0
2XX.2134.0000	NURSE SERVICES	$0	$102	$0	$127
2XX.2139.0000	OTHER HEALTH SERVICES	$24,271	$21,615	$24,087	$26,921
2XX.2140.0000	PSYCHOLOGICAL SERVICES	$110,639	$171,061	$109,803	$213,057
2XX.2150.0000	SPEECH & AUDIO SERVICES	$95,996	$64,067	$95,270	$79,796
2XX.2160.0000	STUDENT TREATMENT SERVICE	$301,393	$291,538	$299,114	$363,111
2XX.2190.0000	STUDENT SERVICES DIRECTOR	$531,208	$644,918	$527,191	$803,248
2XX.2210.0000	IMPROVEMENT OF INSTRUCTION	$214,843	$166,817	$213,218	$207,771
2XX.2219.0000	OTHER IMPR OF INSTRUCTION	$19,002	$17,392	$18,858	$21,661
2XX.2222.0000	LIBRARY/MEDIA CENTER	$5,630	$0	$5,587	$0
2XX.2230.0000	ASSESSMENT & TESTING	$1,052	$69,322	$1,044	$86,340
2XX.2240.0000	HEALTH SERVICES	$1,757,204	$2,378,112	$1,743,916	$2,961,947
2XX.2410.0000	OFFICE OF THE PRINCIPAL	$217,628	$80,392	$215,983	$100,128
2XX.2490.0000	OTHER SUP-SCH ADMINISTRATION	$22,171	$46,552	$22,003	$57,981
2XX.2540.0000	FACILITIES MAINTENANCE	$116,716	$5,117	$115,834	$6,448
2XX.2550.0000	STUDENT TRANSPORTATION	$2,479,837	$2,720,336	$2,461,084	$3,388,185
2XX.2574.0000	PRINTING SERVICES	$12,996	$0	$12,898	$0
2XX.2610.0000	DIRECTOR/CENTRAL SUPPORT	$687,106	$648,930	$681,910	$808,245
2XX.2620.0000	PLANNING & DEVEL SVCS	$25,108	$9,101	$24,918	$11,336
2XX.2630.0000	COMMUNITY RELATIONS	$0	$0	$0	$38,430
2XX.2660.0000	TECHNOLOGY SERVICES	$325,201	$23,327	$322,742	$29,054
2XX.3110.0000	SERVICE AREA DIRECTION	$90	$0	$89	$0
2XX.3120.0000	FOOD PREP & DISP SERVICES	$126,532	$166,292	$125,575	$207,118
2XX.3130.0000	FOOD PREP & DISP SERVICES	$798	$292	$792	$363
2XX.3300.0000	COMMUNITY SERVICES	$40,675	$74,625	$40,367	$92,946
2XX.3390.0000	OTHER COMMUNITY SERVICES	$189,196	$196,690	$187,766	$244,978
2XX.4150.0000	BLDG ACQUIS, CONST & IMPR	$1,081,912	$135,411	$1,073,731	$168,655
2XX.4151.0000	ENERGY IMPROVMENTS	$0	$0	$0	$2,000,000
2XX.4154.0000	SEISMIC CONST & IMPR	$432,257	$0	$428,988	$0
2XX.4155.0000	ADA CONST & IMPROV	$5,000	$0	$4,962	$0
2XX.4180.0000	OTHER CAPITAL PURCHASES	($7,828)	$0	($7,769)	$0
2XX.5200.0000	INTERFUND TRANSFERS	$1,200,000	$0	$0	$0
2XX.5100.0000	DEBT SERVICE	$0	$0	$0	$1,347,816
2XX.6100.0000	RESERVED FOR NEXT YEAR	$3,875,451	$5,086,151	$3,846,144	$2,948,984
TOTAL EXPENDITURES		$24,838,639	$24,054,429	$23,459,878	$29,959,872

2016-17 BUDGET – SPECIAL FUNDS (PART 2 – NUTRITION SERVICES)

Hillsboro School District's Nutrition Services department plays a supportive role in the education environment by supplying nutritionally complete breakfast and lunch meals to students at a reasonable cost.

Nutrition Services' budget is $8,985,085 for the 2016-17 school year, an increase of 0.69 percent from last year's budget. Nutrition services is a federal- and state-funded meal program that provides breakfast, lunch, and various after-school snacks for the students of the District. Nutrition Services provides meals to four high schools, four middle schools, twenty-five elementary schools, two alternative schools, and Head Start programs in five of the schools.

Nutrition Services received a two-year Farm-to-School grant in the 2015-16 school year in the amount of $83,191 to purchase locally sourced, farm fresh and processed foods. The grant will be continued for the 2016-17 school year at an amount yet to be determined.

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 average 42.56 percent of the department's budget.

Food, paper, and chemical supplies average 41.16 percent of Nutrition Services' budget. The department funds provide for repair and/or replacement of kitchen equipment.

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

The Community Eligibility Program (CEP) continued for the second year with 14 schools that qualify for all students to be eligible for breakfast and lunch at no cost. Of the 20 non-CEP schools, the percentage of free-and-reduced-price-eligible students totals 39.29 percent or 5,847 students, with two (2) sites having more than 50 percent of the students eligible.

Average Daily Participation (ADP) equates to 49.19 percent of District student enrollment.

Á la carte items are offered at all secondary schools.

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

Month	Elementary School	Middle School	High School	District
September	48.183%	49.211%	42.733%	46.709%
October	51.837%	53.061%	44.786%	49.895%
November	50.040%	53.237%	44.705%	49.327%
December	52.913%	52.695%	44.280%	49.963%
January	49.198%	49.980%	41.295%	46.824%
February	52.394%	53.441%	43.802%	49.879%
March	52.231%	52.223%	43.103%	49.186%

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

MySchoolbucks.com, an internet payment system for school meals, is offered Districtwide, allowing parents to view student account activity and make credit card payments on the website.

2016-17 NUTRITION SERVICES REVENUES

ACCOUNT	DESCRIPTION	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADOPTED	2016-17 ADOPTED
500.0000.1611	BREAKFAST SALES	$96	($296)	$96	($296)
500.0000.1612	LUNCH SALES	$1,375,956	$1,176,420	$1,375,956	$1,176,420
500.0000.1620	NONREIMB PROGRAM SALES	$178,817	$133,683	$178,817	$133,683
500.0000.1630	SPECIAL FUNCTIONS	$164,254	$202,532	$164,254	$202,532
500.0000.1750	VENDING MACHINE	$13,308	$32,331	$13,308	$32,331
500.0000.1960	PRIOR YEAR RECOVERY	($1,306)	$0	$0	$0
500.0000.1990	MISCELLANEOUS REVENUE	$13,279	$15,052	$13,281	$15,052
500.0000.3102	SCHOOL SUPPT/LUNCH MATCH	$83,918	$83,196	$83,918	$83,196
500.0000.4505	SCHOOL NUTRITION	$5,209,787	$5,518,321	$5,209,787	$5,518,321
500.0000.4910	USDA COMMODITIES	$20,009	$463,265	$493,248	$611,156
500.0000.5400	BEGINNING FUND BALANCE	$1,390,141	$1,212,690	$1,390,140	$1,212,690
TOTAL REVENUE		$8,448,259	$8,837,194	$8,922,805	$8,985,085

2016-17 NUTRITION SERVICES EXPENDITURES BY OBJECT

ACCOUNT	DESCRIPTION	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADOPTED	2016-17 ADOPTED
500.0000.0112	REG CLASSIFIED SALARIES	$1,903,510	$1,974,860	$1,941,580	$2,034,106
500.0000.0113	REG ADMIN SALARIES	$116,222	$110,978	$118,546	$114,307
500.0000.0114	REG SUPERVISORY SALARIES	$57,764	$60,030	$58,919	$61,831
500.0000.0122	SUBSTITUTES-CLASSIFIED	$109,374	$113,198	$109,374	$128,198
500.0000.0139	OVERTIME SALARIES	$1,483	$1,262	$1,483	$1,262
500.0000.0140	OTHER TIME	$32,240	$40,954	$32,240	$40,954
500.0000.0211	PERS EMPLOYER CONTRIBUTN	$177,394	$159,422	$177,394	$164,205
500.0000.0213	PERS UAL CONTRIBUTION	$139,285	$141,451	$139,285	$145,695
500.0000.0216	PERS EMPLOYER-TIER III	$127,059	$125,061	$127,059	$128,813
500.0000.0220	SOCIAL SECURITY ADMIN	$166,136	$172,412	$166,136	$179,308
500.0000.0231	WORKERS' COMPENSATION	$52,097	$54,376	$52,097	$56,007
500.0000.0232	UNEMPLOYMENT COMPENSATION	$2,157	$2,232	$2,157	$2,299
500.0000.0241	DISABILITY INSURANCE	$6,929	$8,548	$6,929	$8,804
500.0000.0242	MEDICAL INSURANCE	$567,756	$602,123	$567,756	$620,187
500.0000.0243	LIFE INSURANCE	$4,075	$4,594	$4,075	$4,732
500.0000.0244	EMPLOYEE ASSISTANCE	$784	$792	$784	$816
500.0000.0246	DENTAL INSURANCE	$82,223	$86,745	$82,223	$89,347
500.0000.0248	VISION INSURANCE	$15,973	$17,172	$15,973	$17,687
500.0000.0251	ADMIN FLEX BENEFIT	$25,200	$25,800	$25,200	$25,800
500.0000.0254	COMMUNICATIONS STIPEND	$780	$0	$780	$0
500.0000.0318	PROF IMPRV/NON INSTRUCT	$7,394	$6,097	$7,394	$6,097
500.0000.0322	REPAIR & MAINTENANCE	$64,894	$40,957	$64,894	$40,957
500.0000.0323	LAUNDRY & DRY CLEANING	$30,480	$29,838	$30,480	$29,838
500.0000.0324	RENTAL EXPENSE	$0	$571	$0	$571
500.0000.0325	ELECTRICITY	$16,495	$18,317	$16,495	$18,317
500.0000.0340	TRAVEL	$16,094	$12,811	$16,094	$12,811
500.0000.0351	TELEPHONE	$159	$0	$159	$0
500.0000.0353	POSTAGE	$3,923	$5,440	$3,923	$5,440
500.0000.0354	ADVERTISING	$0	$0	$0	$0
500.0000.0355	PRINTING & BINDING	$4,930	$3,650	$4,930	$3,650
500.0000.0390	OTHER GEN PROF & TECH SRV	$14,683	$58,769	$14,683	$58,769
500.0000.0392	BANK SERVICE FEES	$0	$0	$0	$0
500.0000.0410	SUPPLIES & MATERIALS	($6,644)	($41,878)	($6,644)	($41,878)
500.0000.0413	FOOD SUPPLIES	$27,218	$48,218	$27,218	$48,218
500.0000.0414	PAPER SUPPLIES	$47,624	$77,986	$47,624	$77,986
500.0000.0415	USDA COMMODITIES	$0	$463,265	$493,248	$611,156
500.0000.0418	TRANSPORTATION FUEL	$5,679	$6,695	$5,679	$6,695

ACCOUNT	DESCRIPTION	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADOPTED	2016-17 ADOPTED
500.0000.0419	TIRES	$760	$1,829	$760	$1,829
500.0000.0450	FOOD	$3,137,024	$3,572,159	$3,137,024	$3,572,159
500.0000.0460	NON-CONSUMABLE ITEMS	$3,646	$13,765	$3,646	$13,765
500.0000.0461	<$5000 EQUIPMENT	$23,337	$58,048	$23,337	$58,048
500.0000.0470	COMPUTER SOFTWARE	$896	$347	$896	$347
500.0000.0480	COMPUTER HARDWARE	$5,276	$4,334	$5,276	$4,334
500.0000.0481	<$5000 COMPUTER HARDWARE	$0	$0	$0	$0
500.0000.0520	BUILDINGS ACQUISTION	$0	$0	$0	$0
500.0000.0540	DEPRECIABLE EQUIPMENT	$0	$11,842	$0	$11,842
500.0000.0542	REPLACEMENT EQUIPMENT	$0	$11,998	$0	$11,998
500.0000.0640	DUES & FEES	$12,616	$47,730	$12,616	$47,730
500.0000.0690	INDIRECT COSTS/CUSTODIAL	$230,643	$298,750	$230,643	$298,750
500.0000.0820	RESERVED FOR NEXT YEAR	$1,212,691	$383,646	$1,152,440	$261,298
TOTAL EXPENDITURES		$8,448,259	$8,837,194	$8,922,805	$8,985,085

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2016-17
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 District collects tax revenues for past bond issues. The total outstanding debt as of July 1, 2016, is $139,830,000 in bonded debt, and $127,705,000 for PERS Pension Obligation Bonds. The debt limit for Hillsboro School District is based on an assessed value of $12.6 billion. The debt ratio as of June 30, 2015, was 7.28 percent.

2016-17 Budget General Obligation Bonds

		PRINCIPAL OUTSTANDING 7/1/2016	2016-17 PRINCIPAL PAYMENTS	2016-17 INTEREST PAYMENTS
PURPOSE	Refunding 1999 & 2001			
ISSUE DATE	May 2005			
ISSUE AMOUNT	$78,055,000	$23,315,000	$11,210,000	$1,224,038
COUPON RATES	3.0 to 5.25%			
FINAL PAYMENT DATE	June 2018			
PURPOSE	Pension Bond Pool			
ISSUE DATE	June 2005			
ISSUE AMOUNT	$102,850,000	$88,840,000	$3,835,000	$4,210,510
COUPON RATES	4.052 to 4.759%			
FINAL PAYMENT DATE	June 2028			
PURPOSE	MS, Elems & Projects			
ISSUE DATE	December 2006 (A/B)			
PAR AMOUNT	$156,955,000	$9,155,000	$9,155,000	$457,750
COUPON RATES	4.00 to 5.00%			
FINAL PAYMENT DATE	June 2026			
PURPOSE	GO Bond Refunding, Series 2012			
ISSUE DATE	November 2012			
PAR AMOUNT	$98,950,000	$97,620,000	$400,000	$3,935,613
COUPON RATES	1.50 – 5.00%			
FINAL PAYMENT DATE	June, 2026			
PURPOSE	GO Bond Refunding, Series 2014			
ISSUE DATE	November 2014			
PAR AMOUNT	$98,950,000	$9,740,000	$4,670,000	$329,225
COUPON RATES	1.50 – 5.00%			
FINAL PAYMENT DATE	June 2018			
PURPOSE	Pension Obligation Bond			
ISSUE DATE	March 2015			
ISSUE AMOUNT	$39,285,000	$38,865,000	$885,000	$1,502,261
COUPON RATES	0.65% to 3.505%			
FINAL PAYMENT DATE	June 2034			
TOTAL		$267,535,000	$30,155,000	$11,659,397

2016-17 BUDGET REVENUE
DEBT SERVICE

ACCOUNT	DESCRIPTION	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADOPTED	2016-17 ADOPTED
300.0000.1111	CURRENT YEAR PROPERTY TAX	$28,288,656	$29,397,082	$30,154,388	$31,381,626
300.0000.1112	PRIOR YEAR PROPERTY TAX	$6,307	$542,048	$250,000	$250,000
300.0000.1114	PAYMENTS IN LIEU OF TAX	$0	$3,519	$0	$0
300.0000.1190	PENALTIES & INTER ON TAX	$0	$5,697	$10,000	$10,000
300.0000.1512	INTEREST ON LGIP	$80,173	$72,672	$70,000	$70,000
300.0000.1960	RECOVERY PRIOR YR EXPENSE	$0	$35,640	$0	$0
300.0000.5400	BEGINNING FUND BALANCE	$3,123,774	$3,984,610	$0	$0
329.0000.5400	BEGINNING FUND BALANCE	$457,649	$0	$0	$0
390.0000.1970	SERVICES PROVIDE OTHER FUND	$6,883,856	$7,257,275	$9,945,231	$10,432,771
TOTAL REVENUE		$38,840,415	$41,298,543	$40,429,619	$42,144,397

2016-17 BUDGET EXPENDITURES
DEBT SERVICE

ACCOUNT	DESCRIPTION	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADOPTED	2016-17 ADOPTED
300.0000.0319	OTHER GEN PROF & TECH SRV	$0	$20,729	$0	$0
300.0000.0610	REDEMPTION OF PRINCIPAL	$19,595,000	$24,665,000	$23,540,000	$25,435,000
300.0000.0621	INTEREST	$8,376,388	$7,921,090	$6,944,388	$5,946,625
300.0000.0820	RESERVED FOR NEXT YEAR	$3,984,610	$1,433,967	$0	$330,001
390.0000.0600	OTHER ISSUANCE COSTS	$0	$0	$0	$0
390.0000.0610	REDEMPTION OF PRINCIPAL	$2,300,000	$2,775,000	$3,705,000	$4,720,000
390.0000.0620	INTEREST	$4,584,417	$4,482,757	$6,240,231	$5,712,771
TOTAL EXPENDITURES		$38,840,415	$41,298,543	$40,429,619	$42,144,397

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2016-17 BUDGET
CAPITAL CONSTRUCTION FUND

The Capital Construction Fund consists of the 2001 and 2006 bond issues. According to data from Portland State University's Center for Population Research, the enrollment in Hillsboro School District will increase by more than 2,400 students during the next 12 years. In November 2006, the voters approved a capital construction bond that would fund projects to:

- Accommodate rapid growth in enrollment by the construction of four new elementary schools and one new middle school. Three elementary schools (Free Orchards, Lincoln Street, and Quatama) opened in August 2008. The fourth elementary school (Rosedale) and the new middle school (South Meadows) opened in August 2009.
- Add classroom space in existing schools. Remodels and expansion of Brown, Evergreen, and Poynter Middle Schools are complete.
- Renovate and upgrade safety, security, seismic, and utility systems. A list of current projects is available by request.
- Expand the technology infrastructure for classroom instruction and school management. Current projects include VoIP phone systems and smart board technology.
- Purchase parcels of land for elementary school construction. Properties were purchased for Quatama Elementary and Rosedale Elementary. A 40-acre parcel was purchased in 2012-13, and another 10-acre parcel was purchased in 2014-15 for the South Hillsboro Urban Growth Boundary Expansion area.

The bond included 52 individual projects ranging in cost from $200,000 to $36,000,000. After the completion of all the projects listed in the 2006 bond issue, the remaining interest was used for numerous construction projects around the District including, but not limited to, ADA upgrades, security improvements, and maintenance work Districtwide.

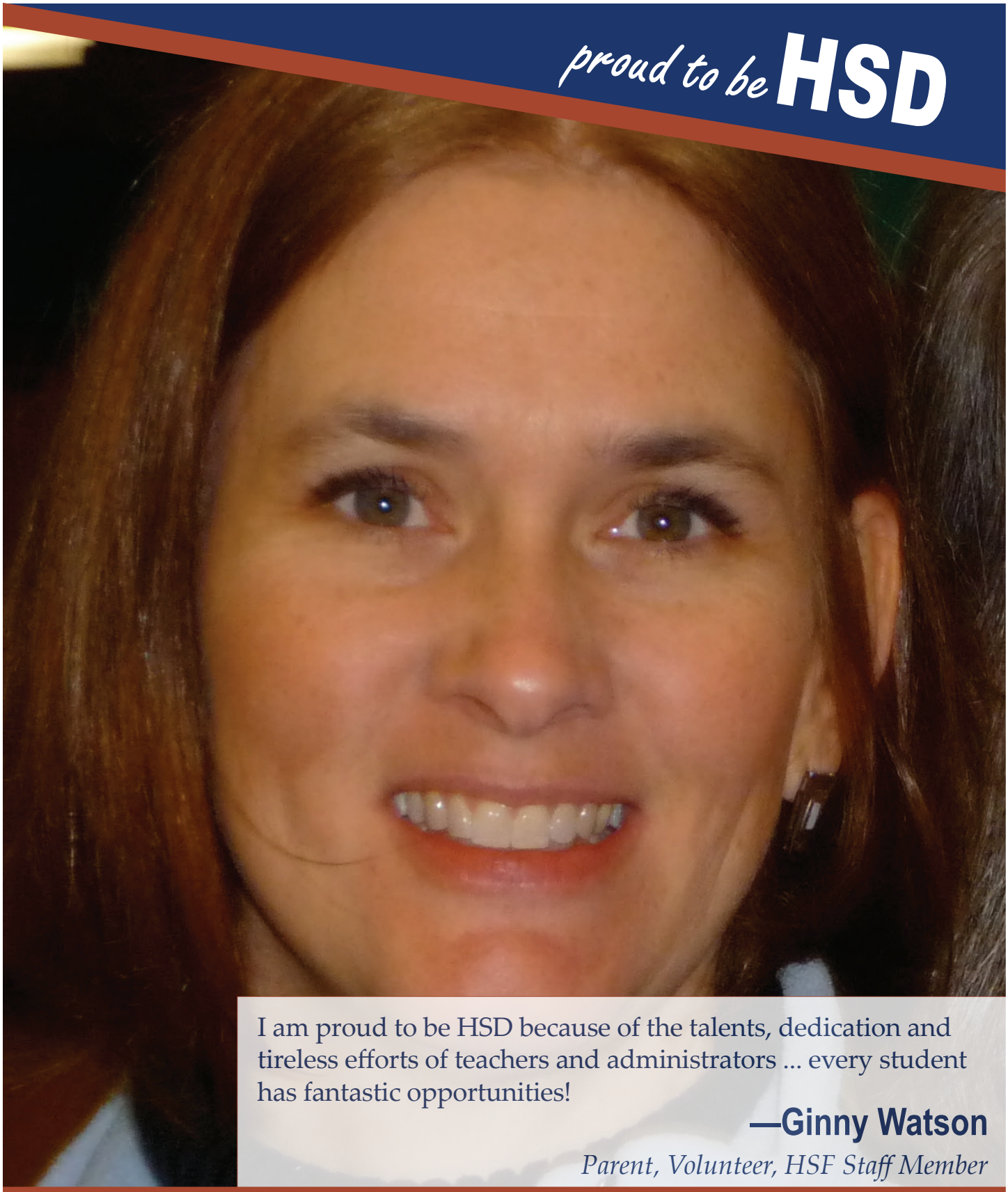
2016-17 RESOURCES – CONSTRUCTION FUND BY OBJECT

ACCOUNT	DESCRIPTION	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADOPTED	2016-17 ADOPTED
4XX.0000.151X	INTEREST ON INVESTMENTS	$13,427	$8,181	$2,000	$200
4XX.0000.19XX	MISC INCOME	$194,407	$149,091	$0	$0
4XX.0000.51XX	LONG TERM FINANCING	$1,500,000	$0	$0	$0
4XX.0000.5400	BEGINNING FUND BALANCE	$8,413,441	$6,029,446	$2,800,000	$1,500,000
TOTAL RESOURCES		$10,121,275	$6,186,718	$2,802,000	$1,500,200

2016-17 CONSTRUCTION FUND EXPENDITURES BY OBJECT

ACCOUNT	DESCRIPTION	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADOPTED	2016-17 ADOPTED
4XX.0000.0111	REG LICENSED SALARIES	$53,292	$0	$0	$0
4XX.0000.0112	REG CLASSIFIED SALARIES	$43,053	$46,030	$50,000	$50,000
4XX.0000.0113	REG ADMIN SALARIES	$167,730	$207,234	$175,000	$175,000
4XX.0000.0121	SUBSTITUTES-LICENSED	$8,544	$0	$0	$0
4XX.0000.0122	SUBSTITUTES-CLASSIFIED	$7,555	$0	$0	$0
4XX.0000.0131	EXTENDED CONTRACT	$1,288	$0	$0	$0
4XX.0000.0200	EMPLOYEE BENEFITS	$0	$0	$0	$0
4XX.0000.0211	PERS EMPLOYER CONTRIBUTION	$44,236	$34,486	$45,000	$45,000
4XX.0000.0213	PERS UAL CONTRIBUTION	$19,220	$18,173	$20,000	$20,000
4XX.0000.0216	PERS EMPLOYER-TIER III	$354	$4,455	$0	$0
4XX.0000.0220	SOCIAL SECURITY ADMIN	$20,905	$18,330	$23,000	$23,000
4XX.0000.0231	WORKERS' COMPENSATION	$1,120	$1,025	$1,200	$1,200
4XX.0000.0232	UNEMPLOYMENT COMPENSATION	$272	$237	$300	$300
4XX.0000.0241	DISABILITY INSURANCE	$906	$902	$1,000	$1,000
4XX.0000.0242	MEDICAL INSURANCE	$11,039	$11,524	$20,000	$20,000
4XX.0000.0243	LIFE INSURANCE	$319	$325	$400	$400
4XX.0000.0244	EMPLOYEE ASSISTANCE	$29	$28	$0	$0
4XX.0000.0245	TRAVEL ALLOWANCE	$2,700	$2,592	$2,700	$2,700
4XX.0000.0246	DENTAL INSURANCE	$664	$960	$700	$700
4XX.0000.0248	VISION INSURANCE	$83	$91	$100	$100
4XX.0000.0251	ADMIN FLEX BENEFIT	$18,900	$17,200	$20,000	$20,000
4XX.0000.0254	COMMUNICATIONS STIPEND	$810	$679	$1,000	$1,000
4XX.0000.0322	REPAIR & MAINTENANCE	$194,556	($73,196)	$300,000	$0
4XX.0000.0324	RENTAL EXPENSE	$2,160	$1,740	$20,000	$0

ACCOUNT	DESCRIPTION	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADOPTED	2016-17 ADOPTED
4XX.0000.0340	TRAVEL	$8,474	$0	$10,000	$0
4XX.0000.0351	TELEPHONE	$35	$0	$40	$0
4XX.0000.0354	ADVERTISING	$3,489	$0	$3,500	$0
4XX.0000.0355	PRINTING & BINDING	$853	$1,342	$90	$0
4XX.0000.0383	ARCHITECT/ENGINEER SERVCS	$8,880	$0	$10,000	$10,000
4XX.0000.0390	OTHER GEN PROF & TECH SRV	$43,755	$94,192	$50,000	$0
4XX.0000.0410	SUPPLIES & MATERIALS	$5,196	$1,231	$50,000	$1,000
4XX.0000.0420	TEXTBOOKS	$11,328	$0	$0	$0
4XX.0000.0460	NON-CONSUMABLE ITEMS	$1,161	$4,100	$1,000	$28,800
4XX.0000.0461	<$5000 EQUIPMENT	$21,500	$93,691	$21,500	$100,000
4XX.0000.0470	COMPUTER SOFTWARE	$8,309	$1,150	$50,000	$0
4XX.0000.0480	COMPUTER HARDWARE	$371,917	$6,533	$300,000	$0
4XX.0000.0481	<$5000 COMPUTER HARDWARE	$294,858	$13,273	$200,000	$0
4XX.0000.0510	LAND ACQUISITION	$2,250,582	$2,402,163	$0	$0
4XX.0000.0520	BUILDINGS ACQUISITION	$0	$0	$420,470	$500,000
4XX.0000.0530	IMPROV OTHER THAN BLDGS	$0	$0	$500,000	$500,000
4XX.0000.0540	CAPITAL EQUIPMENT	$0	$0	$0	$0
4XX.0000.0550	CAPITAL TECHNOLOGY	$393,346	$0	$0	$0
4XX.0000.0610	REDEMPTION OF PRINCIPAL	$57,268	$352,756	$0	$0
4XX.0000.0621	INTEREST	$11,143	$57,707	$0	$0
4XX.0000.0670	TAXES & LICENSES	$0	$0	$5,000	$0
4XX.0000.0790	TRANSFERS	$0	$0	$0	$0
4XX.0000.0810	PLANNED RESERVE	$6,029,446	$2,865,765	$500,000	$0
TOTAL EXPENDITURES		$10,121,275	$6,186,718	$2,802,000	$1,500,200



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Parent, Volunteer, HSF Staff Member

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Internal Revenue Service

2016-17 BUDGET
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. The expectation is that when PERS rates rise for the 2017-2019 biennium, the District will used some or all of this reserve to offset these rate increases.

The 2016-17 Budget preserves the $2.0 million of the PERS Reserve Fund. The PERS Reserve was reclassified to Fund 100 per Generally Accepted Accounting Principles (GAAP), and as prescribed by the District's independent auditor.

2016-17 INTERNAL SERVICE FUND RESOURCES AND EXPENDITURES

ACCOUNT	DESCRIPTION	2013-14 ACTUAL	2014-15 ACTUAL	2015-16 ADOPTED	2016-17 ADOPTED
RESOURCES					
XXX.0000.1990	MISCELLANEOUS REVENUE	$0	$0	$0	$0
XXX.0000.5200	INTERFUND TRANSFER	$0	$0	$500,000	$0
XXX.0000.5400	BEGINNING FUND BALANCE	$1,500,000	$1,500,000	$1,500,000	$2,000,000
TOTAL RESOURCES		$1,500,000	$1,500,000	$2,000,000	$2,000,000
EXPENDITURES					
XXX.0000.0790	TRANSFER TO GENERAL FUND	$0	$0	$0	$0
XXX.0000.0820	PERS RESERVE	$1,500,000	$1,500,000	$2,000,000	$2,000,000
TOTAL EXPENDITURES		$1,500,000	$1,500,000	$2,000,000	$2,000,000

proud to be HSD
I am proud to be HSD because the staff is wonderful!
—Rhonda Brown
SEA2 Inclusion Aide
HILLSBORO SCHOOL DISTRICT
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Tell us YOUR story at
bit.ly/1z8zd8S.
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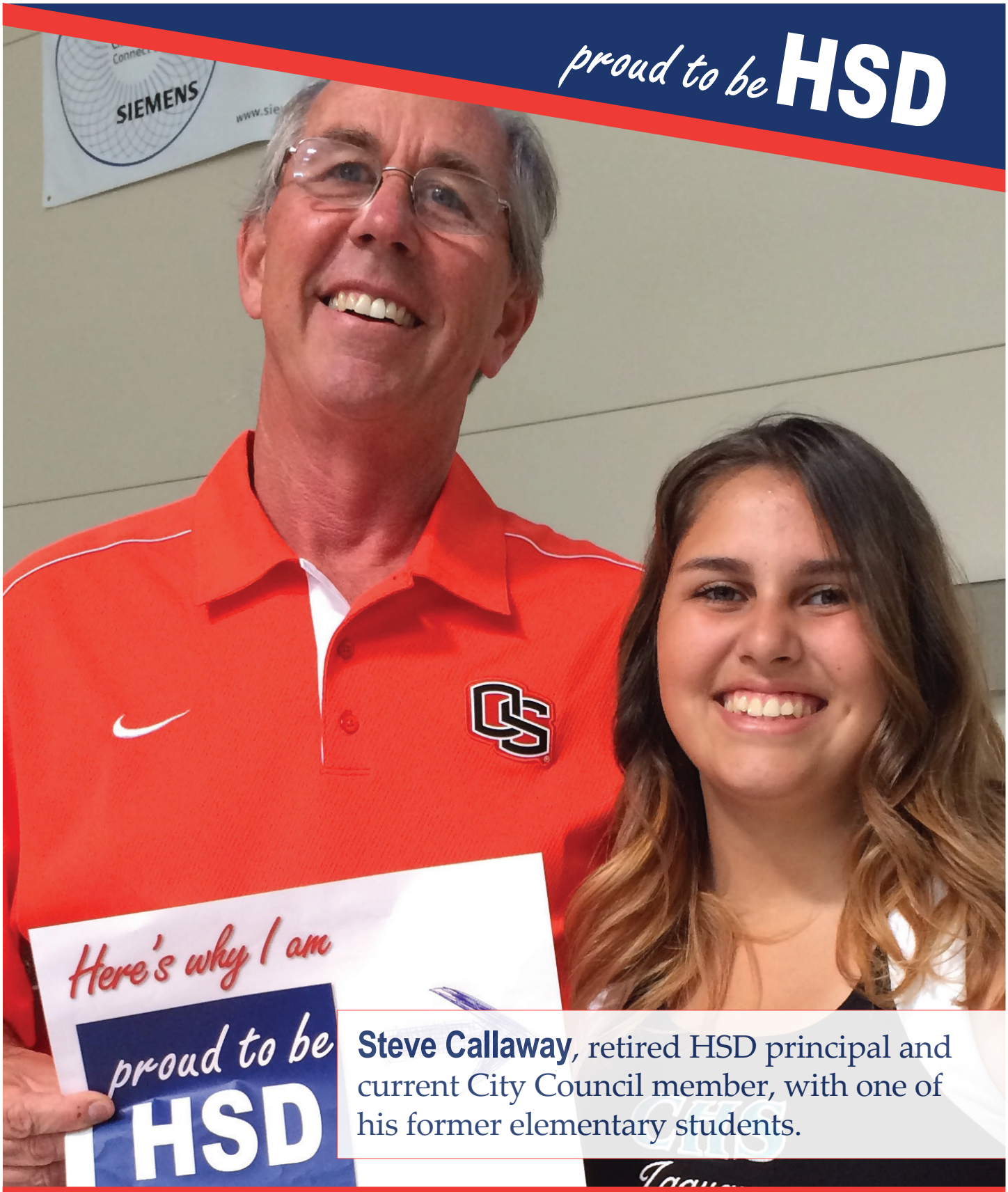
BUDGET SUMMARY

100	**GENERAL FUND**	**$210,690,678**
SPECIAL REVENUE FUNDS		
141	FIRST ROBOTICS GRANT	$22,500
140	ENERGY EFFICIENT SCHOOLS PROGRAM	$2,191,872
144	OEA CHOICE TRUST	$5,000
146	ENHANCEMENT IDEA	$12,800
154	CONFUCIUS CLASSROOM	$20,000
155	QUALIFIED ENERGY CONSERVATION BOND (QECB)	$2,500,000
161	CHESS FOR SUCCESS	$11,500
164	ASPIRE	$5,000
168	EXTENDED ASSESSMENT	$9,000
169	MEDICAID ADMINISTRATION CLAIMING	$625,000
170	CONSTRUCTION EXCISE TAX	$2,951,600
173	MENTOR GRANT	$350,000
192	STUDENT BODY FUNDS	$5,000,000
196	SYSTEMS PERFORMANCE REVIEW	$11,400
198	OREGON DEPARTMENT OF HUMAN SERVICES	$238,900
199	REGIONAL AUTISM SERVICES	$543,000
202	HILLSBORO SCHOOLS FOUNDATION	$80,000
203	TITLE I SUMMER MIGRANT	$278,000
205	TITLE VII	$25,000
208	TITLE IA/IMPROVING AMERICA'S SCHOOLS ACT (IASA)	$4,360,400
212	TITLE IC - MIGRANT	$488,000
213	TITLE IC PRESCHOOL - MIGRANT	$45,700
215	FOCUS GRANTS	$60,000
218	TITLE III	$426,000
221	TITLE IIA IMPROVE TEACHER QUALITY	$503,800
222	TITLE I/PERKINS VOCATIONAL TECHNOLOGY	$184,200
223	CTE REVITALIZATION	$578,200
224	BILITERACY PATHWAYS	$120,000
226	MY FUTURE MY CHOICE	$33,000
231	IDEA (PL 101-476)	$2,896,000
242	MCKINNEY VENTO	$60,000
245	CCD/TEEN MOM GRANT	$101,000
246	WORK SYSTEMS SUMMER PROGRAM	$470,000

255	SEISMIC GRANT	$25,000
256	MAAC GRANT	$100,000
270	NIKE GRANT	$100,000
275	DONATIONS FUND	$3,007,000
283	SYNOPSYS	$25,000
284	WASHINGTON COUNTY-FAMILY RESOURCE CENTER	$240,000
286	INTEL FOUNDATION GRANTS	$56,000
288	KINDERGARTEN PARTNERSHIP INNOVATION	$320,000
299	TRANSPORTATION EQUIPMENT FUND	$800,000
500	NUTRITION SERVICES FUND	$8,985,085
510	FARM TO SCHOOLS GRANT	$80,000
	TOTAL SPECIAL REVENUE FUNDS	**$38,944,957**
DEBT SERVICE FUNDS		
300	HSD 1 DEBT SERVICE FUNDS	$42,144,397
	TOTAL DEBT SERVICE FUNDS	**$42,144,397**
CAPITAL PROJECTS FUNDS		
4XX	CONSTRUCTION FUND-2006	$1,500,200
	TOTAL CAPITAL PROJECTS FUNDS	**$1,500,200**
INTERNAL SERVICE FUNDS		
	* PERS RESERVE FUND	$2,000,000
	TOTAL INTERNAL SERVICE FUNDS	**$2,000,000**
	* Reclassified per 2010-11 GAAP	
TOTAL BUDGET ALL FUNDS		**$295,280,232**



Steve Callaway, retired HSD principal and current City Council member, with one of his former elementary students.

HILLSBORO SCHOOL DISTRICT

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Supplementary Materials

BACKGROUND

The Hillsboro School District 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 it 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 percent of the state's budget, and this money equals roughly 70 percent 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 four reduced days, +$6 million, including four 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 six 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 five 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 percent 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 percent 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 percent of people would vote for a local option levy if the election were held today, while 43 percent would vote against, and 5 percent 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 percent 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 (Senate Bill 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 percent yes to 55 percent 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 and 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 percent of students complete a four-year degree, 40 percent complete a two-year degree, 20 percent 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 percent 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 each 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.

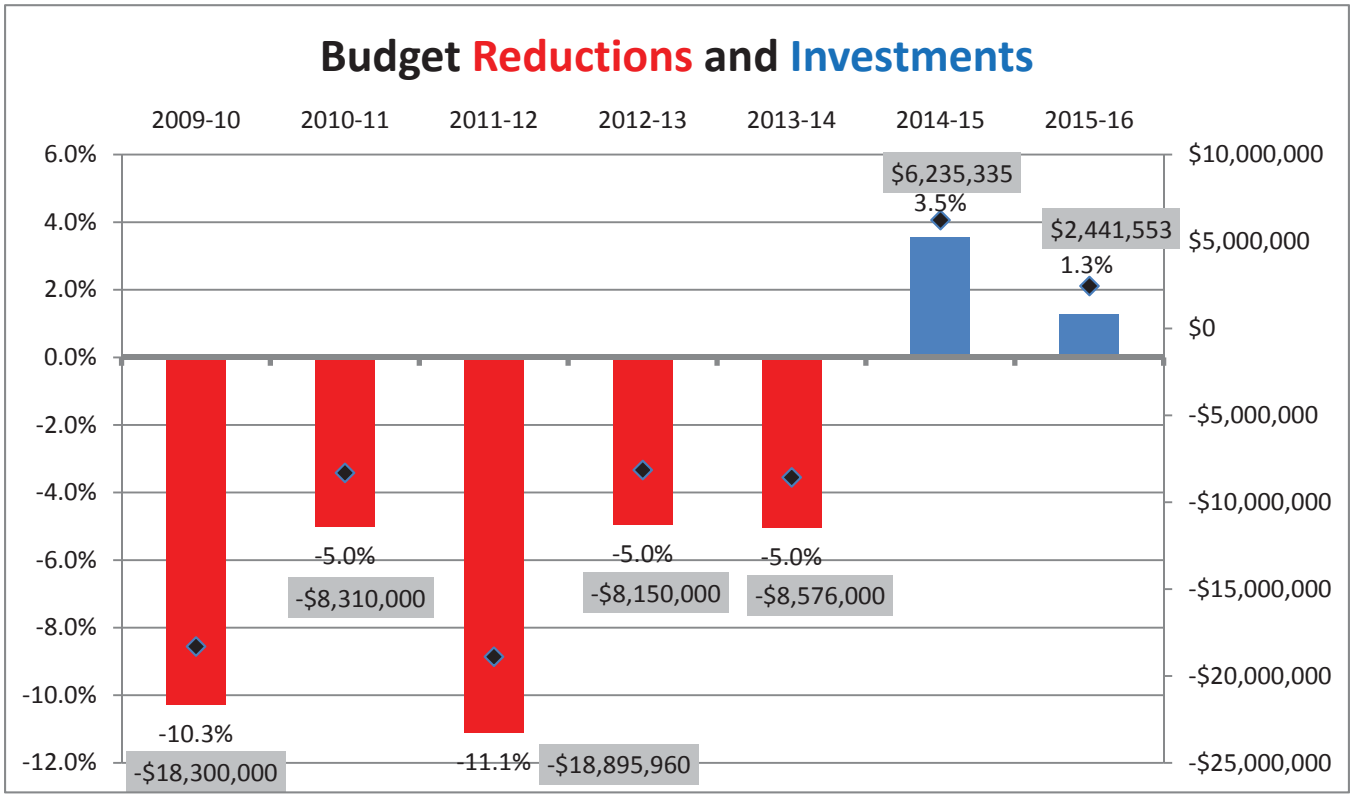
A positive is that we were able to secure three-year contracts with both our licensed and classified employee groups, which provides a measure of certainty when budgeting. Negotiated increases through those contracts included an annual cost of living adjustment (COLA) and insurance cap increase (total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

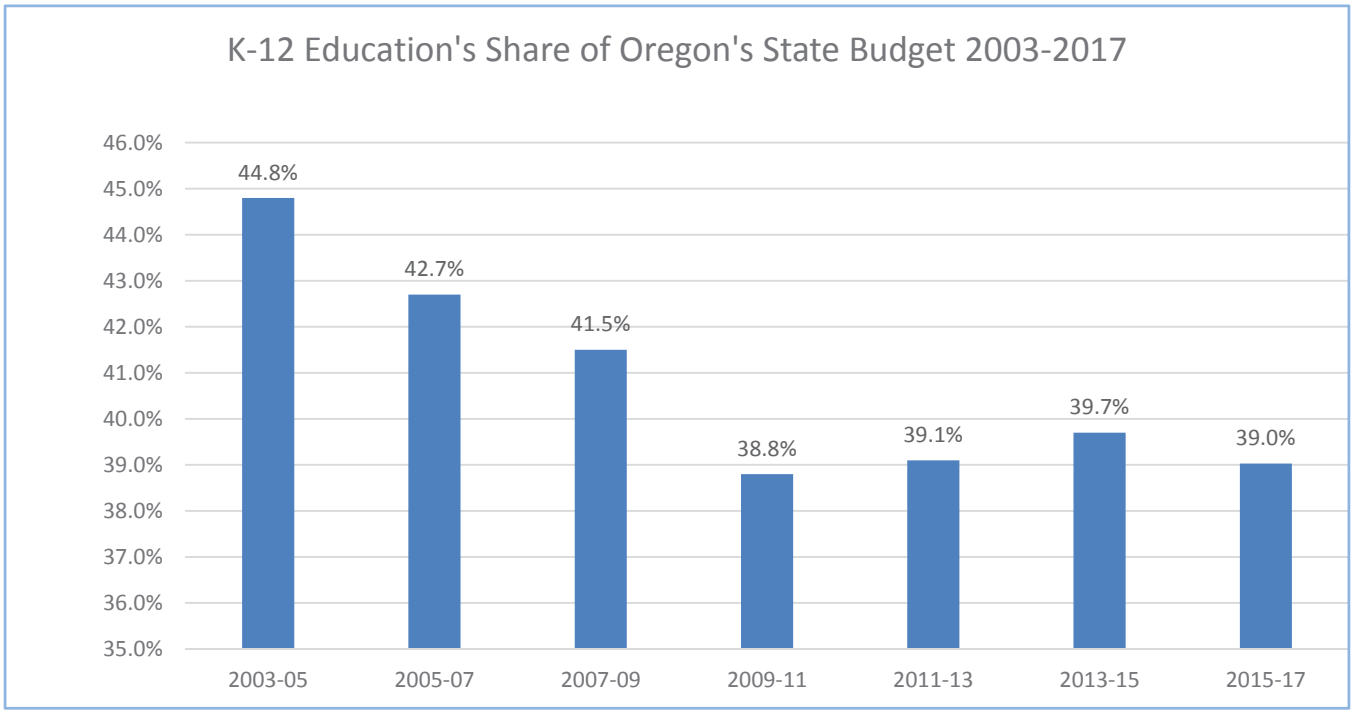
Our efforts to contain costs for 2016-17 included "trueing up" the staffing ratio to align with actual enrollment (loss of 14.42 licensed FTE positions), and reducing district-level department budgets (discretionary) by 2 percent. We were able to add 2.0 FTE classified custodial positions to reduce the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

KEY POINTS TO NOTE

- Lowering class size (staffing ratio) is the number one thing we hear about as a community priority. For us to lower the staffing ratio by one student across the district costs approximately $2 million. To make a measurable difference, we would have to lower the ratio by approximately 4-5 students at a cost of $8-$10 million/year.
- After the November 2017 property tax collection, approximately $1.25/$1000 of assessed value will come off of the books for Hillsboro School District residents. This presents an opportunity to ask for another bond or set of bonds to "fill the gap."
- A vast majority of the District's operating budget (General Fund) pays for people. The 2015-16 General Fund budget is $207,380,995, of which $165,185,429 pays for staff salaries and benefits (79.65 percent). If you consider that $14,324,319 is held in transfers and reserves, that really only leaves $193,056,676, in which case staff accounts for 85.56 percent of all available funds. (Administrators represent approximately 3.4 percent of the staff in the District.)

Reference tables





OREGONIAN MEDIA GROUP

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Affidavit of Publication

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

4/20/2016, 4/27/2016

Gerald Brickel

Principal Clerk of the Publisher

Subscribed and sworn to before me this date: 29th day of April ,20 16 .

Christine D. Cassel

Notary Public for Oregon

My commission expires 27th day of May ,20 16 .

Ad Order Number: 0003762992

OFFICIAL SEAL
CHRISTINE D CASSEL
NOTARY PUBLIC - OREGON
COMMISSION NO. 468251
MY COMMISSION EXPIRES MAY 27, 2016

Legal Notice

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, 2016, to June 30, 2017, will be held at the district's Administration Center, 3083 NE 49th Place, Hillsboro, Oregon. The meeting will take place on the 5th day of May 2016, at 7:00 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 May 4, 2016, 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 ****

April 20 & 27, 2016

C7-3762992V01

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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 *Hillsboro Tribune and Forest Grove News-Times,* newspapers of general circulation, published at Forest Grove, in the aforesaid county and state, as defined by ORS 193.010 and 193.020, that

Hillsboro School District
Notice of Budget Committee Meeting
HT1355

a copy of which is hereto attached, was published in the entire issues of said newspapers for
2
Successive and consecutive weeks in the following issues:
April 20 and 22, 2016
April 27 and 29, 2016

Charlotte Allsop

Charlotte Allsop (Accounting Manager)

Subscribed and sworn to before me this April 29, 2016.

Desirae A Marglin

NOTARY PUBLIC FOR OREGON

Acct #304328
Attn: Jolene Sauve
Hillsboro School District 1J
3083 NE 49th Place, #104
Hillsboro OR 97124-6006

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DESIRAE ANN MARGLIN
NOTARY PUBLIC - OREGON
COMMISSION NO. 936708
MY COMMISSION EXPIRES MARCH 02, 2019

NOTICE OF BUDGET COMMITTEE MEETING

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**** BUDGET MAY BE APPROVED AT THIS MEETING**

Publish 04/20, 04/27/2016. HT1355

HILLSBORO SCHOOL DISTRICT 1J BUDGET COMMITTEE—MINUTES
May 5, 2016
District Administration Center, 3083 NE 49th Place, Hillsboro, Oregon

Budget Committee Present:	Staff Present:
Glenn Miller, Chair	Mike Scott, Superintendent
Monte Akers	Debbie Ashley, Chief Human Resources Officer
Lisa Allen	Adam Stewart, Chief Financial Officer
Nina Carlson	Beth Graser, Director, Communications
Cathy Clark Thomas	Michelle Morrison, Director, Business Services
Wayne Clift	Kona Lew-Williams, Director, Human Resources
Angie Ellis	Val Bokma, Assistant to the Board
Martin Granum	Sev Flores, Technology Support
Betsy Julian	
Jaime Rodriguez	Others Present:
Janeen Sollman	Maureen Barnhart, HEA
Kim Strelchun	Devin Hunter, HCU

Board Chair Wayne Clift called the meeting of the Budget Committee to order at 7:00 p.m. and led the Pledge of Allegiance. Erik Seligman and Chris Barry were unable to attend the meeting.

Mr. Clift called for a motion to approve the agenda. Glenn Miller MOVED, SECONDED by Janeen Sollman, to approve the agenda as printed. The MOTION CARRIED (10-0). (Betsy Julian and Jaime Rodriguez were not present during the vote.)

Chief Financial Officer Adam Stewart described the District's budget development process. He explained that the Budget Committee is responsible to set the aggregate level of expenditures for the upcoming school year, set the permanent tax rate, and set the levy amount for debt service collections; and that the Board of Directors adopts the budget in aggregate, makes appropriations by fund and function, and imposes and categorizes the taxes. The Board is scheduled to adopt the 2016-17 budget during the June 14 Board meeting. The County Assessor will be notified by July 15 to levy the taxes.

Mr. Clift explained that, per policy DBEA, the Budget Committee annually elects a presiding officer from among its members; and he called for nominations. Glenn Miller nominated himself for the position of Budget Committee Chair. Monte Akers seconded the nomination. Hearing no further nominations, Mr. Clift closed the nominations and called for the vote. The vote was 12-0 in favor of Glenn Miller. Mr. Miller took over as chair of 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 2016-17 budget.*
>
> *In last year's budget message, I discussed the Legislative Session that was still under way, and some unknowns our District faced as a result. Heading into our annual Budget Hearing in early May 2015, the state was poised to allocate $7.255 billion to K-12*

education for the 2015-2017 biennium, which was to fund regular operations, plus the expansion of kindergarten to a full-day program.

We had planned to add $720,000 to our budget to fund graduation coaches and AVID instructional coaches at the secondary level, and to increase funding for athletics, activities, and Talented and Gifted (TAG) programming and options for advanced students.

Then, in June 2015, as a result of House Bill 5017, which called for K-12 education to receive 40 percent of any increase in 2015-2017 revenue projections between the March and June forecasts, K-12 was allocated an additional $100 million for the biennium. This meant approximately $3.6 million more funding for Hillsboro School District ($1.8 million per year). With that additional revenue, we increased the number of PE and Music sections at elementary schools (4.2 additional full-time-equivalent [FTE] positions); extended the calendars for select classified positions, and increased the number of classified discretionary hours at the building level; lowered class size at the middle school level (4.34 additional FTE); and banked a portion of the funds to help offset PERS increases in the 2017-2019 biennium. Our total reinvestment for the 2015-16 school year was $2.44 million, and our intention was for those investments to remain in place for the 2016-17 school year, as well.

In mid-June, Legislative leadership announced that they would increase the K-12 allocation by another $45 million (to $7.4 billion, total), with $18 million going to the State School Fund, and $27 million going to the Common School Fund. Hillsboro's share of the additional allocation was approximately $1.62 million for the biennium ($810,000/year). However, we did not recommend a spending plan for that additional revenue, as it was still unclear what would happen with the state's Gain Share program.

As it turned out, holding off on additional spending was a good decision. Revisions to Gain Share legislation meant that the City of Hillsboro and Washington County would be receiving significantly less revenue through the program than in previous years; and the $1.2 million per year we had budgeted as pass-through money for the 2015-16 and 2016-17 school years was not going to be available to us. The City of Hillsboro has committed to continuing to share a portion of its proceeds with the District, but the money will be in the form of safety enhancements and targeted STEM (Science / Technology / Engineering / Math) and/or Career and College Pathways investments. Washington County will invest a portion of its proceeds in the Safe Routes to Schools program.

Another budgetary blow came when it was announced that a majority of the PERS reforms that had been passed by the Legislature in 2013 were deemed unconstitutional by the Oregon Supreme Court. Then, in July 2015, the PERS Board reduced the Assumed Earnings Rate—the rate of return expected on PERS investments—from 7.75% to 7.5%. Together with poor actual earnings on PERS investments, public employers could be facing rate increases of approximately 8 percent in the 2017-2019 biennium. If this is the case, Hillsboro School District's cost increase would be approximately $8 million per year (2017-18 and 2018-19). While that doesn't affect the 2015-16 or 2016-17 school years, it is definitely something to consider as we budget for 2016-17, and determine what is sustainable moving forward.

A surprising development in the fall was that our enrollment was down 0.3 percent, compared with 2014-15. And because we assumed approximately 0.5 percent growth, our net loss was 0.8 percent of students, at a total cost of approximately $2.4 million.

Taken together, these realities caused us to fear that we would have to reduce several million dollars from our budget in the 2016-17 school year. However, there have been some additions to our revenue that have helped.

There was an increase in the High Cost Disability grant from the Oregon Department of Education (ODE), which reimburses districts whose costs for serving students with special needs is significantly above the double weighting provided through the regular funding formula. That increase added $1.4 million to the District ($700,000 each year, in 2015-16 and 2016-17).

ODE also modified its reporting process for English learners. Counts are now collected in October, rather than May, which allows us to be reimbursed for the entire school year. This change added approximately $2.4 million to the District ($1.2 million each year, in 2015-16 and 2016-17).

Finally, the revised State School Fund (SSF) estimate for 2014-15 (released April 4, 2016), reflected an increase in statewide local revenue of $37.9 million, which resulted in an increase of $56.44/ADMw, or $1.37 million for Hillsboro School District.

After all of the changes to revenues and expenses were taken into account, the District was still significantly short of what it needed in order to maintain a relatively flat budget for the 2016-17 school year. Therefore, staffing has been tightened up to more closely align with enrollment. This reduction of 14.42 licensed FTE across the District will be managed through attrition. We have also reduced district-level department budgets by 2 percent.

An addition to the budget has been made for two FTE custodial positions. This increase will allow three of our schools that currently have half-time night custodians to have full-time night custodians (Minter Bridge, Mooberry, and McKinney), and will allow incremental additional custodial support at two more of our schools.

We are also reallocating a large portion of funds that have previously been set aside for Additional Adult Assistance (AAA) for students who have special needs. In the past, these funds have been used to pay for temporary and substitute staff on an as-needed basis; however, in an effort to create more continuity in our buildings and to provide staff with additional training, we are converting many of those temporary positions into permanent positions: 12.98 licensed FTE and 67 classified FTE.

With all of these changes, we are heading into the 2016-17 school year anticipating an ending fund balance of $9,604,527, which is $930,007 short of our 5 percent target. Based on a general fund budget totaling $210,690,678, this amount is considered to be within a reasonable margin of error. We also have reasonable expectations that enrollment will increase, and that SSF revised estimates released in the spring of 2017 will bring us up to the 5 percent target. Therefore, we are pleased that we can recommend a budget that meets our goal of creating a sustainable investment plan for the 2015-2017 biennium.

Looking ahead to the 2017-2019 biennium, we will be advocating for several things at the state level:

- *Increased funding for K-12 education. In the 2007-2009 biennium, the K-12 budget represented 41.5 percent of the state's total budget. In the 2015-2017*

biennium, that percentage was 39. In order to stabilize and reinvest in education, we need to return to the 40-41 percent range.

- *A sustainable mechanism for containing PERS costs. This is not a Hillsboro issue or a K-12 issue. It is an issue for every public employer in the state; however, the effects on Oregon's schoolchildren are perhaps the most unacceptable.*

- *Funding to support—or a modification of language surrounding—the increased PE requirements that are due to begin in 2017-18. Although we do not deny that students would benefit from being more physically active, if there is no funding to extend the school day or modify facilities, then increasing PE time means decreasing something else.*

As we budget and plan for the future, and talk with staff, students, and parents about their needs, hopes, and expectations, I am reminded of our responsibilities to all stakeholders—the ones who are here now and the ones who will be with us in the future. Meeting current needs and prudently planning ahead is not always easy, but it is what we must do for our students, the school system, and the broader community.

As always, I am grateful for the ongoing support and involvement of our local citizens in this process.

Respectfully submitted,

Mike Scott
Superintendent

Superintendent Scott and Chief Financial Officer Stewart provided information and answered questions regarding the development and details of the 2016-17 Proposed Budget. They explained that the 2016-17 Proposed Budget includes all of the investments made during the 2015-16 budget process, plus 2.0 full-time equivalent (FTE) custodial staff (to decrease the number of shared evening custodian positions in elementary schools), and shifts between some funding areas.

Monte Akers MOVED, SECONDED by Nina Carlson, that a $200,000 increase be made in 2016-17 expenditures in extracurricular activities/athletics, to continue to reinstate the $600,000 of cuts in the years 2008 and 2011; and a $140,000 reduction be made in revenues by cutting the District's "pay to play" fees for activities/athletics. He explained that this is equivalent to a 35% reduction in the District's "pay to play" fees, and is the first leg of eliminating them over 3 years. Mr. Akers stated that this is an income equity issue that the District must attend to, and that 5,000 families in the District are under the Federal poverty line, and another 5,000 are just over the line, but can't afford "pay for play" fees for their children.

Budget Committee members discussed at length various aspects and implications of the proposal, including the following: the need to also provide access to non-athletic activities (e.g., robotics, drama, speech), as well as sports for which reduced fees do not apply (Tier II programs); different options for improving access for all students, including students at the middle and elementary levels; the need for a comprehensive plan that includes a review of stipends, points, general academic fees, etc.; the stage of the budget process at which the proposal was made; and concerns regarding other financial challenges facing the District, including class size and future increases in PERS expenses.

Superintendent Scott shared that the District is considering modifying an athletic director position that is becoming vacant, creating a position that actively seeks funds and partnerships in the community in order to significantly expand the resources and opportunities available for students to participate in athletics and activities. Additional information will be provided, as this plan develops.

The MOTION FAILED (5-7), with Angie Ellis, Cathy Clark Thomas, Jaime Rodriguez, Nina Carlson, and Monte Akers voting in favor; and Janeen Sollman, Betsy Julian, Martin Granum, Lisa Allen, Kim Strelchun, Wayne Clift, and Budget Committee Chair Glenn Miller opposed.

Budget Committee Chair Glenn Miller invited public comments. One request to address the Budget Committee was received:

> Devin Hunter introduced himself as a representative of District classified staff, and stated that adequate hours and up-to-date computer equipment are necessary in order for classified staff to effectively perform their work. He said that class size is critical to student success, but other factors are also important.

Budget Committee members discussed at length their concerns regarding budgeting for upcoming years, particularly related to PERS expenses. Chief Financial Officer Stewart explained that the PERS issue will impact every public agency – not just K-12 school districts – and discussed the need to balance adequate reserves with investments in current students, for whom the District receives funding.

Wayne Clift MOVED that the Hillsboro School District 1J budget for 2016-17, in the aggregate amount of $295,280,232 (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 $66,469,087. Mr. Clift further moved that tax levies totaling $32,604,207 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 Martin Granum. The MOTION CARRIED (12-0).

Chief Financial Officer Stewart explained that the approved 2016-17 budget will be presented to the Board on June 14 for a public hearing and adoption.

Questions were asked about next steps in improving access for students to athletics and activities programs. Superintendent Scott explained that staff members who need to be involved in these discussions include the following: high school principals; Executive Director Casey Waletich; and the person who will be hired into the restructured position. Martin Granum volunteered to participate. Wayne Clift expressed the importance of including a participant who will advocate for activities that are not sports-related.

The Budget Committee meeting was adjourned at 8:40 p.m.

D. Wayne Clift Valerie J Bokma

Approved June 14, 2016

OREGONIAN MEDIA GROUP

1515 SW 5th Ave, Suite 1000 Portland, OR 97201-5615

Affidavit of Publication

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

6/1/2016

Gerald Brickel

Principal Clerk of the Publisher

Subscribed and sworn to before me this date: 3rd day of June, 20 16.

Christine D. Cassel

Notary Public for Oregon

My commission expires 14th day of April, 20 20.

Ad Order Number: 0003769648

OFFICIAL STAMP
CHRISTINE DAWN CASSEL
NOTARY PUBLIC - OREGON
COMMISSION NO. 949548
MY COMMISSION EXPIRES APRIL 14, 2020

FORM ED-1

NOTICE OF BUDGET HEARING

A public meeting of the Hillsboro School District 1J School Board will be held on June 14, 2016, at 7:00 pm at Administration Center, 3083 NE 49th Pl, Hillsboro, Oregon. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2016, 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 or obtained at 3083 NE 49th Pl, Hillsboro, Oregon between the hours of 8:00 am and 4:30 pm, or online at 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 preceding year.

Contact: Adam Stewart, Chief Financial Officer Telephone: 503-844-1500 Email: stewarta@hsd.k12.or.us

FINANCIAL SUMMARY - RESOURCES

TOTAL OF ALL FUNDS	Actual Amount Last Year 2014-15	Adopted Budget This Year 2015-16	Approved Budget Next Year 2016-17
Beginning Fund Balance	$31,611,680	$26,417,719	$23,885,576
Current Year Property Taxes, other than Local Option Taxes	$88,422,539	$90,099,386	$97,850,713
Current Year Local Option Property Taxes	$0	$0	$0
Other Revenue from Local Sources	$18,513,191	$21,713,442	$22,766,611
Revenue from Intermediate Sources	$6,074,738	$4,889,265	$4,421,141
Revenue from State Sources	$123,175,012	$125,630,758	$126,622,590
Revenue from Federal Sources	$15,474,121	$14,276,933	$17,952,469
Interfund Transfers	$0	$500,000	$0
All Other Budget Resources	$1,435,455	$1,467,794	$1,781,132
Total Resources	**$284,706,736**	**$284,995,297**	**$295,280,232**

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION

Salaries	$111,429,394	$120,199,873	$128,093,800
Other Associated Payroll Costs	$57,548,683	$57,791,138	$61,526,183
Purchased Services	$17,832,509	$18,851,915	$18,852,580
Supplies & Materials	$18,142,554	$17,856,071	$18,554,980
Capital Outlay	$6,486,579	$4,528,822	$3,333,911
Other Objects (except debt service & interfund transfers)	$2,262,772	$1,905,887	$2,437,821
Debt Service*	$42,160,971	$42,038,688	$43,988,331
Interfund Transfers*	$0	$500,000	$0
Operating Contingency	$0	$2,500,000	$2,500,000
Unappropriated Ending Fund Balance & Reserves	$28,843,274	$18,822,903	$15,992,626
Total Requirements	**$284,706,736**	**$284,995,297**	**$295,280,232**

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

1000 Instruction	$116,765,682	$123,941,184	$134,643,434
FTE	1,210.76	1,259.25	1,302.05
2000 Support Services	$84,740,195	$84,838,982	$88,044,049
FTE	634.13	651.61	665.21
3000 Enterprise & Community Service	$4,587,819	$5,837,929	$6,996,319
FTE	64.30	64.30	64.30
4000 Facility Acquisition & Construction	$3,149,703	$3,801,912	$3,775,603
FTE	1.50	1.50	1.50
5000 Other Uses			
5100 Debt Service*	$41,887,034	$42,058,683	$43,988,331
5200 Interfund Transfers*	$0	$500,000	$0
6000 Contingency	$0	$2,500,000	$2,500,000
7000 Unappropriated Ending Fund Balance	$33,576,303	$21,516,607	$15,332,496
Total Requirements	**$284,706,736**	**$284,995,297**	**$295,280,232**
Total FTE	**1,910.69**	**1,976.66**	**2,033.06**

* not included in total 5000 Other Uses. To be appropriated separately from other 5000 expenditures.

STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING

No Changes

PROPERTY TAX LEVIES

	Rate or Amount Imposed	Rate or Amount Imposed	Rate or Amount Approved
Permanent Rate Levy (Rate Limit 4.9749 per $1,000)	$4.9749	$4.9749	$4.9749
Local Option Levy	$0	$0	$0
Levy For General Obligation Bonds	$30,737,870	$31,662,107	$32,604,207

STATEMENT OF INDEBTEDNESS

LONG TERM DEBT	Estimated Debt Outstanding on July 1	Estimated Debt Authorized, But Not Incurred on July 1
General Obligation Bonds	$139,830,000	$0
Other Bonds	$127,705,000	$0
Other Borrowings	$5,241,881	$0
Total	**$272,776,881**	**$0**

C7-3769648V01

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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 *Hillsboro Tribune and Forest Grove News-Times,* newspapers of general circulation, published at Forest Grove, in the aforesaid county and state, as defined by ORS 193.010 and 193.020, that

Hillsboro School District
Notice of Budget Hearing
HT1381

a copy of which is hereto attached, was published in the entire issues of said newspapers for
1
week in the following issues:
June 1 and 3, 2016

Charlotte Allsop

Charlotte Allsop (Accounting Manager)

Subscribed and sworn to before me this June 3, 2016.

NOTARY PUBLIC FOR OREGON

Acct #304328
Attn: Jolene Sauve
Hillsboro School District 1J
3083 NE 49th Place, #104
Hillsboro OR 97124-6006

OFFICIAL SEAL
KRISTINE L HUMPHRIES
NOTARY PUBLIC - OREGON
COMMISSION NO. 477396
MY COMMISSION EXPIRES APRIL 10, 2017

Size: 3 x 6.5"
Amount Due: $175.50*
*Please remit to the above address.

FORM ED-1

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Publish 06/01/2016. HT1381

RESOLUTION TO ADOPT 2016-17 BUDGET, APPROPRIATE 2016-17 BUDGET, AND IMPOSE 2016-17 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 2016-17 in the total of $295,280,232 now on file at the District Administration Center, Hillsboro, Oregon.

RESOLUTION TO MAKE BUDGET APPROPRIATIONS FOR 2016-17

BE IT RESOLVED that the amounts for the fiscal year beginning July 1, 2016, for the purposes shown below, are hereby appropriated:

General Fund		
1000	Instruction	121,494,586
2000	Support Services	78,243,885
3000	Enterprise Services	414,813
4000	Facilities/Construct	106,748
5100	Debt Service	826,119
6000	Contingency	2,500,000
Total Fund appropriation		**203,586,151**
Special Revenue Fund		
1000	Instruction	13,148,848
2000	Support Services	9,800,164
3000	Enterprise Services	6,581,506
4000	Facilities/Construct	2,168,655
5100	Debt Service	1,347,816
Total Fund appropriation		**33,046,989**
Debt Service Fund		
5000	Debt Service	41,814,396
Total Fund appropriation		**41,814,396**

Capital Projects Fund		
4000	Facilities/Construct	1,500,200
5000	Transfers	0
6000	Contingency	0
		1,500,200
PERS Reserve Fund		
4000	Facilities/Construct	0
5000	Transfers	0
6000	Contingency	0
		0

Total Appropriations	**279,947,736**
Total Unappropriated	**15,332,496**
Total Adopted Budget	**295,280,232**

RESOLUTION TO IMPOSE AND CATEGORIZE AD VALOREM TAXES FOR 2016-17

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 $32,604,207 for bonds; that these taxes are hereby imposed and categorized for tax year 2016-17 upon the assessed value of all taxable property within the District as follows:

CATEGORIZING THE TAX

Education Limitation	Excluded from Limitation	
General Fund $4.9749 per $1,000	Debt Service Fund	$32,604,207

The above resolution statements were approved and declared adopted on this 14th day of June, 2016.

D. Wayne Clift

Wayne Clift, Board Chair