



Hillsboro School District 1J

June 13, 2017
Board Meeting

Board of Directors

Monte Akers • Lisa Allen • Wayne Clift • Glenn Miller • Erik Seligman • Janeen Sollman • Kim Strelchun

HILLSBORO SCHOOL DISTRICT 1J BOARD OF DIRECTORS

Administration Center, 3083 NE 49th Place, Hillsboro, OR

Board Meeting Agenda

June 13, 2017

5:15 PM

1. 5:15 PM - Work Session
 - A. Liberty High School's Student Equity Team Report 5
Presenter: Wayne Clift
 - B. Discuss Construction Management Request for Proposals 6
Presenter: Adam Stewart
 - C. Elementary Professional Development Structure 7
Presenter: Arcema Tovar / Kellie Petrick / Jaime Elrath Goldstein
 - D. Bond Discussion - Next Steps 8
Presenter: Mike Scott / Adam Stewart
 - E. Board Leadership Planning 9
Presenter: Wayne Clift
 - F. Board Discussion Time
 - G. Recess Board Meeting
2. 7:00 PM - Regular Session
Call to Order and Flag Salute
3. Recognition / Student Presentation
 - A. Recognition and Appreciation - Outgoing Board Members: 10
Erik Seligman, Glenn Miller, Monte Akers, and Janeen Sollman
(Comments from Board, Staff, and Audience Members)
Presenter: Mike Scott / Wayne Clift
4. Recess Board Meeting, Convene Budget Hearing
5. Hold Budget Hearing 11
Presenter: Wayne Clift
6. Adjourn Budget Hearing, Reconvene Board Meeting
7. Approval of Agenda
8. Audience Time
9. Reports and Discussion
 - A. Announce Budget Committee Vacancies 12
Presenter: Adam Stewart
 - B. Announce Citizens' Curriculum Advisory Committee Vacancies 14
Presenter: Travis Reiman
 - C. Financial Report (*see written report*) 16
Presenter: Adam Stewart
10. Consent Agenda

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

A. Approve Minutes of May 4, 2017, Budget Committee Meeting	21
B. Approve Minutes of May 9, 2017, Board Meeting	26
C. Approve Minutes of May 23, 2017, Board Meeting	27
D. Approve Routine Personnel Matters	35
E. Accept Donations	40
F. Award Bid for Dairy Products	41
G. Approve Policy Revisions <i>(The following policies were presented for first reading on May 23, 2017)</i>	
H. Policies Regarding Nutrition and Wellness	42
· Policy EFA: Local Wellness Program	
· Policy EFAA: District Nutrition and Food Services	
· Policy EFAA-AR: Reimbursable School Meals	
· Policy EFAE and EFAE-AR: Child Nutrition – Hearings Procedure / Appeal Process (delete)	
· Policy EFAH: Child Nutrition – Collections Procedures and Accountability System (delete)	
11. Action Items	
A. Adopt Resolutions to Adopt the 2017-18 Budget, Appropriate the 2017-18 Budget, and Impose 2017-18 Taxes and Categorize the Tax Levy Presenter: Adam Stewart	61
B. Review Superintendent's Performance and Approve Performance Evaluation Presenter: Wayne Clift	138
C. Approve Extension of Superintendent's Contract Presenter: Wayne Clift	142
D. Adopt Physics Instructional Materials Presenter: Travis Reiman	143
E. Approve 2017-18 Board Meeting Dates Presenter: Wayne Clift	144
F. Declare Surplus Equipment and Authorize Disposal by Public Auction Presenter: Adam Stewart	145
G. Approve Change in Workers' Compensation Coverage Presenter: Adam Stewart	147
H. Award Construction Management Services Request for Proposals Presenter: Adam Stewart	149
I. Approve Participation in OSBA Promise Scholarship Program Presenter: Mike Scott	150
12. NWRESD / HCU / HEA Reports	
13. Superintendent's Time	
14. Board of Directors' Time	

15. Executive Session

If needed, the Board may wish to go into Executive Session to discuss matters according to ORS 192.660. (Only used if the Board needs to come back to the Regular Session to take action.)

16. Adjourn Regular Session

17. Next Meetings of the Board of Directors

- July 11, 2017, Regular Session (tentative)
- July 31, 2017, Full-Day Work Session (tentative)

HILLSBORO SCHOOL DISTRICT 1J
June 13, 2017
LIBERTY HIGH SCHOOL STUDENT EQUITY TEAM REPORT

SITUATION

The Liberty High School Student Equity Team (SET) aims to find solutions to disparities occurring throughout the community. Conversations focus around race, class, gender, and ethnicity, while working to develop positive results for all students. The team is comprised of about ten students, including three core student leaders.

The SET has accomplished two significant goals for the 2016-17 school year: 1) develop a series of in-class assemblies that focus on building community and addressing adversity, and 2) identify specific strategies that teachers employ to support all students. Liberty High School has held two in-class assemblies with the guidance of the SET, accomplishing the first goal; and SET students presented strategies to teachers during the Academic Seminar in May, accomplishing the second goal.

SET goals for next year include continuing in-class assemblies on a monthly basis, student outreach, and District-level involvement.

RECOMMENDATION

The Superintendent recommends that the Board of Directors listen to this report and ask any questions they may have.

HILLSBORO SCHOOL DISTRICT 1J
June 13, 2017
DISCUSS CONSTRUCTION MANAGEMENT REQUEST FOR PROPOSALS

SITUATION

On May 1, the District published a Request for Proposals (RFP) for Construction Management Services in the Daily Journal of Commerce, the Hillsboro Tribune, and the Oregon Procurement Information Network (ORPIN). The purpose of this RFP was to solicit firms that would be interested in managing the \$408 million bond program approved by the Hillsboro School District Board of Directors during the May 23 Board meeting.

Services to be provided by the successful firm, as detailed in Attachment A (“Basic Services”) of the RFP include planning; budget and schedule development; training and standards; outreach; labor compliance; information management; environmental review; and assistance through the design, bid and award, construction, commissioning, and post-construction phases of the program.

A mandatory pre-proposal meeting was held on May 10, 2017, and was attended by 13 firms. The RFP opening was held at 2:00 p.m. on May 30, 2017, and four (4) responsive proposals were received. The responsive proposers were Mears CPM LLC, Wiser Construction Management Group, Heery International, and Cornerstone Management Group. These RFPs were reviewed, evaluated, and scored by Adam Stewart, Chief Financial Officer; Casey Waletich, Executive Director of Safety, Facilities, and Operations; and Jim Peterson, Facilities Coordinator. The scoring matrix includes the total score awarded to each respondent and the individual evaluator scores. The RFP and scoring matrix will be available for review.

Based on this evaluation, it is recommended that the Hillsboro School District Board of Directors award the contract for construction management services for the November 2017 bond program to Cornerstone Management Group. During tonight’s work session, Board members will receive information regarding this recommendation, and during tonight’s regular session, Board members will be asked to approve the selection of the construction management firm.

RECOMMENDATION

The Superintendent recommends that the Board of Directors listen to this report and ask any questions they may have.

HILLSBORO SCHOOL DISTRICT 1J
June 13, 2017
ELEMENTARY PROFESSIONAL DEVELOPMENT STRUCTURE UPDATE

SITUATION

More than one hundred teachers are involved in the District's elementary professional development structure for math and language arts. Tonight's update will include information regarding the benefits of this structure and its impact on staff and students.

RECOMMENDATION

The Superintendent recommends that the Board of Directors listen to this report and ask any questions they may have.

HILLSBORO SCHOOL DISTRICT 1J
June 13, 2017
BOND DISCUSSION – NEXT STEPS

SITUATION

During the May 23 Hillsboro School District Board meeting, the Board approved placing a \$408 million bond package on the November 7, 2017, ballot. This bond package includes new construction and improvements to existing Hillsboro School District facilities. In preparation for the November election, the District has secured the services of the following consultants to help with this work:

- 1) **Bond Underwriter** – Piper-Jaffrey & Co. – The bond underwriter will help the District with the bond structure and timing, and will ultimately be responsible for marketing and selling the bonds.
- 2) **Bond Counsel** – Hawkins Delafield & Wood, LLP – The bond counsel will help draft the Ballot Title and Explanatory Statement for the voters' pamphlet. Following a successful outcome in November, the bond counsel will ensure that the District meets all of the legal requirements so that the bonds will be tax exempt.
- 3) **Construction Management firm** – In process – The Construction Management firm will assist in the development of program schedules and budgets prior to November. Following a successful outcome in November, the Construction Management firm will provide oversight of all construction projects.
- 4) **Communications Consultant** – Wright Public Affairs – The communications consultant will work with the District to design a communication plan and schedule.

Staff will bring a proposed Ballot Title to the July 11 Board meeting for the Board's approval. This will mark the official start of the campaign; after this date, District staff will only be allowed to provide factual information regarding the bond.

RECOMMENDATION

The Superintendent recommends that the Board of Directors listen to this report and ask any questions they may have.

HILLSBORO SCHOOL DISTRICT 1J
June 13, 2017
BOARD LEADERSHIP PLANNING

SITUATION

The Board takes time each year to discuss the election of officers for the subsequent year. The election of Chair and Vice Chair will take place during the regular Board meeting in July. All seven Board members are eligible to run for office. The Board Chair will facilitate a discussion that allows each Board member to express an interest in running for office, and gives Board members an opportunity to ask questions, express the qualities they would like to see in the Chair and Vice Chair, and consider the decisions they must make for leadership.

RECOMMENDATION

The Superintendent recommends that the Board of Directors discuss Board leadership planning for 2017-18.

HILLSBORO SCHOOL DISTRICT 1J
June 13, 2017
RECOGNITION AND APPRECIATION

SITUATION

Members of the Hillsboro School District Board of Directors serve four-year terms with expiration dates that are staggered by two years. On June 30, 2017, four Hillsboro School District Board members will complete their terms of office. Directors Janeen Sollman, Monte Akers, Glenn Miller, and Erik Seligman have served on the Board of Directors for a combined total of 22 years and during this time, they have volunteered countless hours for the benefit of students.

We truly appreciate the years of leadership and service that Janeen, Monte, Glenn, and Erik have contributed to the Hillsboro School District, and we wish them success in all of their future endeavors.

Janeen Sollman – 8 years of service (2009 – 2017)
Monte Akers – 6 years of service (2011 – 2017)
Glenn Miller – 4 years of service (2013 – 2017)
Erik Seligman – 4 years of service (2013 – 2017)

RECOMMENDATION

It is recommended that the Superintendent and the Board of Directors recognize and thank Janeen Sollman, Monte Akers, Glenn Miller, and Erik Seligman for their years of dedicated leadership and service to the Hillsboro School District.

HILLSBORO SCHOOL DISTRICT 1J
June 13, 2017
HOLD BUDGET HEARING

SITUATION

On May 4, 2017, the District's 2017-18 Proposed Budget was presented to the District's 14-member Budget Committee by the District Superintendent and Chief Financial Officer, and was unanimously approved, with all Budget Committee members in attendance.

District Policy DBG: Budget Hearing and ORS 294.430 require a public hearing prior to Board adoption of the budget for the upcoming school year. During the hearing, any person may speak for or against items in the budget document. The Board will vote on the Proposed Budget during the "Action Items" portion of this evening's meeting.

RECOMMENDATION

The Superintendent recommends that the Board of Directors hold the budget hearing.

HILLSBORO SCHOOL DISTRICT 1J
June 13, 2017
ANNOUNCE BUDGET COMMITTEE VACANCIES

SITUATION

The Hillsboro School District Budget Committee consists of seven members appointed by the Board, plus the seven elected Board members. To be eligible for appointment, Budget Committee members must live and be registered to vote in the District; and must not be officers, agents, or employees of the District. The appointed positions are for three-year terms, with staggered expiration dates.

Policy DBEA: Budget Committee requires the public announcement of vacancies on the Budget Committee. Each June, the Board identifies and announces vacant Budget Committee positions. Applications from interested persons must be received by September 5, 2017. Such applications will include a signed statement that the applicant is willing to serve as a member of the Budget Committee and adhere to the policies of the District. The Board may appoint Budget Committee members for as many consecutive terms as are deemed appropriate.

In September, the Board will review the names of persons filing applications and persons who have served previously and are willing to be reappointed, and determine the selection process. At the Board meeting in October, the Board will appoint candidates to fill the vacant positions.

Four Budget Committee positions will be filled in October 2017. Two of the positions expire on June 30, 2017. Two additional positions are open, as a result of the election of the incumbents to the Hillsboro School District Board of Directors. (Oregon law provides that if an appointive member is unable to serve the full term for which the member was appointed, or an appointive member resigns prior to completion of the term, the governing body shall fill the vacancy by appointment for the unexpired term (ORS 294.414).) Term expiration dates are provided below for the positions to be filled:

<u>POSITION</u>	<u>EXPIRES</u>	<u>HELD BY</u>	<u>NOTES</u>
1	June 30, 2017	Teresa Mahoney	Ms. Mahoney was appointed in 2016 to fill the final year of this term, as the result of the previous incumbent's resignation.
2	June 30, 2017	Jaime Rodriguez	Mr. Rodriguez was appointed in 2014.
4	June 30, 2018	Martin Granum	Mr. Granum was appointed in 2015; he has been elected to the Board of Directors, effective July 1, 2017.
6	June 30, 2019	Erika Lopez	Ms. Lopez was appointed in 2016; she has been elected to the Board of Directors, effective July 1, 2017.

RECOMMENDATION

The Superintendent recommends that the Board of Directors announce the Budget Committee vacancies and direct the administration to publicize the vacancies.

HILLSBORO SCHOOL DISTRICT 1J
June 13, 2017
ANNOUNCE CITIZENS' CURRICULUM ADVISORY COMMITTEE VACANCIES

SITUATION

In accordance with policy IFF, the Board of Directors has established the Citizens' Curriculum Advisory Committee (CCAC) to provide for citizen involvement in the development of the schools' curriculum and instructional programs, and input into those curricular areas identified by the Board. The CCAC consists of parents and/or citizens who reside in the District attendance area, and includes student representation, as appropriate. The Board, in consultation with the CCAC chair and District staff, determines the number of participants that is sufficient to fulfill the responsibilities of the committee.

CCAC members are appointed by the Board. The term of service for CCAC members is two years, and terms are staggered so that one-half of members' terms end each year.

Each June, the Board identifies and announces vacant CCAC positions. Applications from interested persons must be received by September 5, 2017. Such applications will include a signed statement that the applicant is willing to serve as a member of the CCAC, and adhere to the policies of the District. CCAC members may apply for reinstatement and be appointed by the Board to serve as many consecutive terms as are deemed appropriate.

In September, the Board will review the names of persons filing applications, and persons who have served previously and are willing to be reappointed. During the first regular meeting in September, the Board will appoint persons to fill the vacant positions. The new members will be appointed in time to participate in the first 2017-18 CCAC meeting, which is scheduled for October 2, 2017.

In 2014, the Board agreed that the number of adult members serving on the committee in previous years (14) would serve as a baseline for the CCAC, with a goal of appointing four additional student members. If more or fewer qualified candidates apply, the Board, in consultation with District staff and the CCAC chair, will have the discretion to adjust the number of members, and define the process for appointing them.

Information regarding CCAC members who have remained active on the committee throughout the 2016-17 school year is provided below:

- Six active CCAC members have continuing terms
- Seven CCAC whose terms are ending have expressed an interest in reapplying
- Four CCAC student positions are open, as a result of student members graduating

Based on the baseline of 14 committee members identified in 2014, CCAC leaders recommend that a combination of eight new and reinstated committee members, and four new student members, be appointed. Together with the six continuing members whose terms will not expire until June 2018, this will result in a committee of 14 members plus four student members.

District staff will continue to advertise CCAC openings during the summer, in order to recruit community members with diverse perspectives to serve on the committee.

RECOMMENDATION

The Superintendent recommends that the Board of Directors announce the Citizens' Curriculum Advisory Committee vacancies, direct administration to publicize the vacancies, and nominate candidates by the September Board meeting.

HILLSBORO SCHOOL DISTRICT 1J
June 13, 2017
FINANCIAL REPORT

Business Office. The Business Office collaborates with all departments in the District Office to provide a system of support for schools, so that principals can focus their attention on instructional leadership. Financial reports in upcoming months will feature examples of this collaboration, which promotes a culture of continuous improvement, learning, and responding to the changing needs of schools.

Example 11: Assessing Support Services Performance, Part 2

Department leaders at the Administration Center recently collaborated to develop and administer a single online survey to identify opportunities to improve services to schools and instructional leaders. Each department will review the responses and develop plans and timelines for operational improvements. Department leaders plan to administer the survey annually, with the initial survey providing baseline qualitative and quantitative data that will be useful for assessing services each year.

Finance Team – Accounts Payable, Banking, and Student Body Accounting. The Finance team is working with schools and departments to close out purchasing for 2016-17. On June 1, 2017, school and department support staff began inputting 2017-18 purchase orders, in order to be prepared for the beginning of the new school year in September. The purchasing transition provides an opportunity for system maintenance and review, in addition to the periodic budget checks.

The Finance team is transitioning to a new procurement card process. Procurement cards (P-cards) will be issued to schools and departments, reducing the number of individual P-card accounts, which will improve purchasing controls. P-Cards are used, as a matter of convenience, for work-related purchases, when it is not possible to use a purchase order. The P-Card program also reduces reimbursement payments to staff members for out-of-pocket purchases online, on-demand value purchases, and travel expenses. It is not intended to replace the standard purchasing procedures as outlined by District policies DJ (District Purchasing), DLC (Expense Reimbursements), and DLC-AR (Staff Expense Reimbursement).

Finance Team – Financial Reporting and Grants. Finance Manager Jeff Jones is the District point-of-contact for the annual comprehensive District audit. The audit team from Grove, Mueller & Swank, P.C., was at the Administration Center from May 30 through June 1, 2017. During the visit, the audit team focused on reviewing current internal controls around cash and District resources, and began the control testing process. After the 2016-17 fiscal year has closed and a preliminary comprehensive fiscal report has been drafted, the audit team will return in September 2017 for a final review. The audit team will also conduct a single audit review of the Workforce Investment Act (WIA) and Title I programs.

Payroll Team and Employee Benefits. Recent focus areas for Payroll Supervisor Kim Grannis and the Payroll team have included: processing leave information for employees who are not able to extend the school year to make up snow days; working with Payroll and Human Resource staff members to include staffing sheets in the new consolidated budget workbooks for schools and departments (which will streamline the initial staffing process for instructional leaders); and moving forward with the new time clock project.

The Oregon Educators Benefit Board (OEBB) has released the insurance plans and rates for 2017-18. The Benefits team will review the information with union leadership to determine which plans will be made available to District employees, and to determine the unions' internal insurance pool "rate reductions" for premiums, as required by current bargaining agreements. Representatives from Waldo Agencies consult with the Benefits team and union leadership throughout the year, regarding the performance of the Health Reimbursement Arrangement (HRA, Preferred Plans) to ensure sustainability and annual savings of up to \$3,000 in household health insurance premiums.

Workers' Compensation Report. In order to ensure accurate reports to the Board, and allow adequate time for the claims submitted each month to be fully processed, there is a one-month delay in reporting workers' compensation claims to the Board. The table below includes workers' compensation claims reported in April 2017.

The District received 13 workers' compensation claims in April 2017. As of April 30, 2017, there were 57 open claims; 29 were for medical costs only, and 28 included time loss. There were two (2) employees on modified work plans during April.

Worker's Compensation Claims			
	2014-15	2015-16	2016-17
July	1	3	3
August	9	2	6
September	10	10	7
October	12	8	15
November	3	7	17
December	6	13	7
January	16	11	5
February	6	11	11
March	11	12	12
April	8	10	13
May	11	8	
June	8	9	
Yearly Total:	101	104	96

Student Incident Report. There is a one-month delay in reporting student incidents to the Board, in order to allow adequate time to ensure that these reports are complete and accurate. There were 216 student incidents reported in April.

Student Incident Reports			
	2014-15	2015-16	2016-17
July	4	0	1
August	1	6	14
September	83	181	249
October	156	243	291
November	64	160	235
December	59	43	104
January	94	134	150
February	98	177	220
March	78	165	228
April	109	183	216
May	106	175	
June	36	68	
Yearly Total:	888	1,467	1,708

Vehicle Accidents. There is a one-month delay in reporting vehicle accidents to the Board, in order to allow adequate time to ensure that monthly reports are accurate and complete. There were four bus accidents in April.

HILLSBORO SCHOOL DISTRICT 1J
June 13, 2017
MONTHLY FINANCIAL REPORT - as of May 30, 2017

Revenues	1st Quarter Actual	2nd Quarter Actual	3rd Quarter Actual	April Actual	May Actual	4th Quarter Actual	Fiscal YTD 2016-17	Budget 2016-17	% of 2016-17 Budget Expended	2015-16 Fiscal YTD	% of 2015-16 Budget Expended
Taxes	\$109,310.56	\$64,476,457.96	\$2,211,858.01	\$141,392.09	\$0.00	\$141,392.09	\$66,939,018.62	\$67,230,674.00	99.57%	\$64,387,580.85	105.66%
Interest	\$81,966.99	\$125,616.10	\$202,385.36	\$68,649.87	\$0.00	\$68,649.87	\$478,618.32	\$307,952.00	155.42%	\$325,854.46	114.72%
Local Sources	\$408,272.05	\$158,484.71	\$512,541.47	\$15,513.09	\$0.00	\$15,513.09	\$1,094,811.32	\$1,895,229.00	57.77%	\$1,067,240.36	62.66%
Total Local	\$599,549.60	\$64,760,558.77	\$2,926,784.84	\$225,555.05	\$0.00	\$225,555.05	\$68,512,448.26	\$69,433,855.00	98.67%	\$65,780,675.67	104.54%
County/ESD	\$1,539,145.84	\$1,084,075.85	\$987,013.48	\$364,060.74	\$0.00	\$364,060.74	\$3,974,295.91	\$3,253,669.00	122.15%	\$3,340,974.45	74.50%
State Sources	\$42,832,700.76	\$30,180,029.68	\$31,430,507.81	\$10,204,885.00	\$11,774,849.40	\$21,979,734.40	\$126,422,972.65	\$127,070,402.00	99.49%	\$121,706,793.95	98.70%
Federal Sources	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	0.00%
Other Sources	\$1,299.83	\$21.47	\$193.65	\$188.79	\$0.00	\$188.79	\$1,703.74	\$0.00	0.00%	\$14,270.67	0.00%
Beginning Balance	\$14,558,454.24	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$14,558,454.24	\$13,657,752.00	106.59%	\$17,604,269.16	105.67%
Total Revenue	\$59,531,150.27	\$96,024,685.77	\$35,344,499.78	\$10,794,689.58	\$11,774,849.40	\$22,569,538.98	\$213,469,874.80	\$213,415,678.00	100.03%	\$208,446,983.90	100.51%
Expenditures											
Instruction											
Salaries	\$6,480,126.87	\$19,062,470.52	\$18,973,660.28	\$6,399,292.88	\$6,270,007.31	\$12,669,300.19	\$57,185,557.86	\$77,616,611.61	73.68%	\$57,321,408.66	76.51%
Benefits	\$2,857,346.21	\$8,834,617.83	\$8,910,713.30	\$2,995,301.12	\$2,995,588.10	\$5,990,889.22	\$26,593,566.56	\$36,286,428.92	73.29%	\$25,952,682.28	79.03%
Purchased Service	\$1,132,357.72	\$2,002,368.54	\$1,702,146.11	\$260,914.43	\$128,432.32	\$389,346.75	\$5,226,219.12	\$5,969,803.33	87.54%	\$2,952,813.09	84.19%
Supplies/Materials	\$472,197.15	\$535,832.80	\$410,703.00	\$116,864.71	\$220,381.20	\$337,245.91	\$1,755,978.86	\$1,424,484.63	123.27%	\$1,594,720.04	81.12%
Capital Purchases	\$3,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$3,000.00	\$0.00	0.00%	\$7,561.25	0.00%
Other	\$92,659.90	\$30,761.50	\$50,538.56	\$4,393.00	\$3,992.00	\$8,385.00	\$182,344.96	\$197,254.76	92.44%	\$169,334.07	87.97%
Total Instruction	\$11,037,687.85	\$30,466,051.19	\$30,047,761.25	\$9,776,766.14	\$9,618,400.93	\$19,395,167.07	\$90,946,667.36	\$121,494,583.25	74.86%	\$87,998,519.39	77.59%
Support Services											
Salaries	\$6,794,743.65	\$9,802,515.06	\$9,585,062.63	\$3,165,318.77	\$3,302,424.23	\$6,467,743.00	\$32,650,064.34	\$38,038,656.98	85.83%	\$31,162,731.80	85.11%
Benefits	\$3,338,967.85	\$5,157,928.00	\$5,033,442.16	\$1,710,828.74	\$1,693,110.57	\$3,403,939.31	\$16,934,277.32	\$20,419,332.24	82.93%	\$15,802,582.08	77.32%
Purchased Service	\$3,067,102.85	\$3,636,951.08	\$2,717,823.82	\$1,315,969.77	\$1,711,739.52	\$3,027,709.29	\$12,449,587.04	\$14,109,529.66	88.24%	\$11,861,444.28	87.80%
Supplies/Materials	\$2,184,561.24	\$1,212,778.07	\$1,137,393.16	\$346,999.01	\$265,011.27	\$612,010.28	\$5,146,742.75	\$6,489,844.64	79.30%	\$4,868,130.98	75.88%
Capital Purchases	\$658,886.00	\$-387,857.42	\$133,661.12	\$13,506.00	\$150.00	\$13,656.00	\$418,345.70	\$250,052.97	167.30%	\$401,342.74	217.63%
Other	\$1,125,621.02	\$62,046.53	\$27,692.01	\$-350.50	\$1,731.12	\$1,380.62	\$1,216,740.18	\$1,536,470.53	79.19%	\$1,331,909.10	109.23%
Total Support	\$17,169,882.61	\$19,484,361.32	\$18,635,074.90	\$6,552,271.79	\$6,974,166.71	\$13,526,438.50	\$68,815,757.33	\$80,843,887.02	85.12%	\$65,428,140.98	83.48%

<i>Expenditures (continued)</i>	1st Quarter Actual	2nd Quarter Actual	3rd Quarter Actual	April Actual	May Actual	4th Quarter Actual	Fiscal YTD 2016-17	Budget 2016-17	% of 2016-17 Budget Expended	2015-16 Fiscal YTD	% of 2015-16 Budget Expended
Community Services											
Salaries	\$70,120.53	\$73,677.42	\$64,197.69	\$20,465.83	\$20,424.17	\$40,890.00	\$248,885.64	\$264,225.41	94.19%	\$210,150.43	88.15%
Benefits	\$27,206.11	\$31,316.20	\$31,236.63	\$9,655.06	\$9,792.15	\$19,447.21	\$109,206.15	\$109,906.57	99.36%	\$99,791.53	71.11%
Purchased Service	\$16,710.96	\$33,310.59	\$32,585.19	\$3,452.92	\$5,100.00	\$8,552.92	\$91,159.66	\$161,069.36	56.60%	\$172,116.28	761.97%
Supplies/Materials	\$1,974.63	\$5,284.31	\$1,695.56	\$1,364.19	\$0.00	\$1,364.19	\$10,318.69	\$3,043.15	339.08%	\$3,010.70	66.31%
Capital Purchases	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	0.00%
Other	\$0.00	\$700.00	\$0.00	\$0.00	\$0.00	\$0.00	\$700.00	\$1,568.52	44.63%	\$700.00	0.00%
Total Community Services	\$116,012.23	\$144,288.52	\$129,715.07	\$34,938.00	\$35,316.32	\$70,254.32	\$460,270.14	\$539,813.01	85.26%	\$485,768.94	119.45%
Capital Projects											
Purchased Service	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$106,748.96	0.00%	\$19,909.22	0.00%
Capital Projects	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	0.00%
Total Capital Projects	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$106,748.96	0.00%	\$19,909.22	0.00%
Debt Service Payment	\$38,205.05	\$0.00	\$493,223.64	\$0.00	\$0.00	\$0.00	\$531,428.69	\$826,118.76	64.33%	\$828,664.60	97.70%
Transfers	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	0.00%
Contingency	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$9,604,527.00	0.00%	\$0.00	0.00%
Total Expenditures	\$28,361,787.74	\$50,094,701.03	\$49,305,774.86	\$16,363,975.93	\$16,627,883.96	\$32,991,859.89	\$160,754,123.52	\$213,415,678.00	75.32%	\$154,761,003.13	74.63%

HILLSBORO SCHOOL DISTRICT 1J BUDGET COMMITTEE—MINUTES

May 4, 2017

District Administration Center, 3083 NE 49th Place, Hillsboro, Oregon

Budget Committee Present:

Nina Carlson, Chair
Monte Akers
Lisa Allen
Wayne Clift
Martin Granum
Matthew Long
Erika Lopez
Teresa Mahoney
Glenn Miller
Heather Monaghan
Jaime Rodriguez
Erik Seligman
Janeen Sollman
Kim Strelchun

Staff Present:

Mike Scott, Superintendent
Adam Stewart, Chief Financial Officer
Beth Graser, Director, Communications
Michelle Morrison, Director, Business Services
Val Bokma, Assistant to the Board
Devin Hunter, Technology Support

Board Chair Wayne Clift called the meeting of the Budget Committee to order at 7:00 PM and led the Pledge of Allegiance.

Mr. Clift called for a motion to approve the agenda. Kim Strelchun MOVED, SECONDED by Glenn Miller, to approve the agenda as printed. The MOTION CARRIED (13-0). (Janeen Sollman was not present during the vote.)

Chief Financial Officer Adam Stewart described the District's budget development process, and the role of the Budget Committee. He explained that the proposed 2017-18 budget was developed with the intent that it would be sustainable through the entire biennium, although there is still considerable uncertainty surrounding the state budget, which has not yet been approved by legislators. The District's proposed budget is based on a projected State School Fund (SSF) allocation of \$8.15 billion, which requires that the District's 2016-17 current service level (CSL) be reduced by \$7.5 million.

Chief Financial Officer Stewart presented an overview of spending reductions, transfers / adjustments of funds, and other strategies that have been identified to balance the District's proposed 2017-18 budget, and answered Budget Committee members' questions regarding the implications of the proposed strategies. Chief Financial Officer Stewart also provided information regarding the impact of other state budget scenarios that have been proposed. Budget Committee members discussed the information, and the need for revenue reform at the state level to provide stable, adequate funding for education.

Mr. Clift explained that, per Board policy DBEA (Budget Committee), the Budget Committee annually elects a presiding officer from among its members; and he called for nominations. Monte Akers nominated Nina Carlson for the position of Budget Committee Chair. Hearing no further nominations, Mr. Clift closed the nominations and called for the vote. The vote was 14-0 in favor of Ms. Carlson. Ms. Carlson took over as chair of the meeting, and asked Superintendent Scott to read the budget message.

Superintendent Scott thanked Budget Committee members for their service and for providing community perspective in the budget development process, and he thanked staff members for their work in developing the budget.

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 1J proposed 2017-18 budget.

Last fall, the District decided to join the second cohort of school districts nationwide in the Alliance for Excellence in School Budgeting, otherwise known as the “Smarter School Spending” (“S3”) process. Convened by the Government Finance Officers’ Association (GFOA), the S3 process is designed to cause school districts to deeply examine all areas of spending and resource allocation in terms not only of their necessity and appropriateness, but also of their impact on student achievement. Since then, a cross-departmental team of district-level administrators has been meeting every two weeks to delve into various spending categories and discuss opportunities for improvement. Thus far, the team has identified several areas where efficiencies can be implemented.

The S3 process represents a long-term commitment to continually revisit and review how the District is investing in the people, products, and processes that will enhance student experiences and outcomes.

As we are meeting here today, the State’s budget for 2017-2019 is still being negotiated, but what we know at this time includes the following information:

- *The Hillsboro School District anticipates needing a statewide K-12 budget allocation of \$8.51 billion to cover current service level expenses in 2017-2019, including the Public Employees Retirement System (PERS) employer rate increase of approximately 6 percent.*
- *On December 1, 2016, when Governor Brown’s proposed budget was released, Oregon was poised to enter the 2017-2019 biennium \$1.8 billion short of projected expenses.*
 - *Despite that significant shortfall, the Governor prepared her budget assuming \$900 million in new revenue that had not yet been identified.*
 - *The Governor’s proposed K-12 allocation was \$8.015 billion, with a separate allocation of \$141 million for the partial implementation of Measure 98 - a ballot measure that was overwhelmingly supported by voters in November 2016 to provide high school students with additional career-technical education (CTE) opportunities and to support attendance, dropout prevention, and graduation attainment. Measure 98 was anticipated to cost \$294 million statewide.*
 - *At the Governor’s proposed allocation, the Hillsboro School District would experience a shortfall of approximately \$9.5 million in 2017-18.*
- *The Co-Chairs of the Joint Ways and Means Committee released their proposed budget on Thursday, January 19, 2017.*
 - *Theirs was a balanced budget, which means reductions were spread across all major line items in an attempt to account for the \$1.8 billion shortfall. In this budget, the Co-Chairs identified \$7.8 billion for K-12 education, which was approximately \$200 million less than what Governor Brown proposed in her budget, and approximately \$700 million below the*

level that would have allowed Hillsboro School District to maintain its current service level. The Co-Chairs also identified \$300 million for the implementation of Measure 98.

- At the Co-Chairs' proposed allocation, the Hillsboro School District would experience a shortfall of approximately \$12.3 million in 2017-18.
- The State's deficit shrank to \$1.6 billion when the March revenue forecast was released in mid-February; however, that was still \$800 million per year short of what would be needed to implement the Governor's proposed budget.

When faced with significant potential shortfalls in the past, the Hillsboro School District has taken the approach of identifying reduction plans at varying levels. While the District has been advocating for an allocation of \$8.4 billion - the level estimated to meet the statewide current service level roll-up - that number was not in line with any of the conversations that were taking place in Salem. Therefore, the District has chosen to prepare a primary budget package assuming an allocation of \$8.15 billion to K-12, which is in line with decisions being made by other large districts like Portland, Beaverton, and Salem-Keizer.

An allocation at the \$8.15 billion level would result in cuts of approximately \$7.5 million for the Hillsboro School District in the 2017-18 school year. Those reductions would be managed by utilizing both reserves and one-time sources of funds, better aligning the staffing ratio with actual enrollment, reducing staffing and programming at the District office level, and implementing efficiencies identified through the S3 process.

Knowing that the actual allocation could come in lower than \$8.15 billion, the District has also prepared scenarios for allocations of \$7.8 billion and \$7.9 billion. Both of those options would result in increases to the staffing ratio (class size).

Additional information regarding the proposed reductions includes the following details.

Allocation of \$8.15 billion, anticipated reduction of \$7.5 million

- Utilize \$1 million in funds received from the State through the annual State School Fund reconciliation and adjustment process
- Utilize \$1 million of the District's PERS Reserve Fund (resulting in a \$1 million balance)
- Utilize \$1,092,940 from the District's Ending Fund Balance (taking those reserves from 5 percent to 4.5 percent in the 2017-18 school year)
- Utilize \$1 million in Construction Excise Tax funds
- Align staffing to match actual enrollment for an estimated savings of \$1 million and an approximate loss of 10-11 FTE licensed positions
- Implement staffing reductions* at the District level for an estimated savings of \$1.183 million (*please note that, in some cases, the positions are simply being funded differently, not eliminated):
 - 3.5 FTE administrator and supervisor-technical
 - 7.05 FTE licensed
 - 1.0 FTE (net) classified
- Implement S3 efficiencies for an estimated savings of \$700,000:
 - Eliminate Technology Innovation grant program - \$250,000
 - Bring evening and weekend security services in-house - \$150,000
 - Reduce substitute costs by 5% - \$300,000
- Implement programming reductions in Student Services for an estimated savings of \$455,000

Total planned reductions of \$7,430,940

Allocation of \$7.9 billion, anticipated reduction of \$10.4 million

- All reductions identified at the \$8.15 billion level
- Increase the staffing ratio (class size) by 1.4 for an estimated savings of \$2.9 million and an approximate loss of 30 FTE licensed positions
 - Increase the kindergarten staffing ratio from 26:1 to 27.4:1
 - Increase the staffing ratio for Grades 1 and 2 from 28:1 to 29.4:1
 - Increase the staffing ratio for Grades 3 through 12 from 29:1 to 30.4:1

Total planned reductions of \$10,330,940

Allocation of \$7.8 billion, anticipated reduction of \$12.3 million

- All reductions identified at the \$8.15 billion level
- Increase the staffing ratio (class size) by 2 for an estimated savings of \$4.8 million and an approximate loss of 47 FTE licensed positions
 - Increase the kindergarten staffing ratio from 26:1 to 28:1
 - Increase the staffing ratio for Grades 1 and 2 from 28:1 to 30:1
 - Increase the staffing ratio for Grades 3 through 12 from 29:1 to 31:1

Total planned reductions of \$12,230,940

Of course, we are hopeful that the SSF allocation will come in much higher than the currently proposed \$7.8 billion. Absorbing \$12.3 million in reductions would be particularly difficult for the District, as we have not yet recovered from the more than \$60 million in reductions we made between 2009 and 2013.

Oregon legislators are currently working on a revenue reform and cost containment proposal that would aim to stabilize and grow the State's budget; however, it is unclear whether or not such a proposal will be completed in time for a vote this legislative session, and whether or not it would need to be referred to voters in an upcoming election.

For now, we are moving forward with plans to budget at the \$8.15 billion level, and we are encouraging our patrons to contact their elected officials and indicate their support for three things:

- Increased K-12 funding in the 2017-2019 biennium;
- A revenue reform and cost containment package;
- Funding for Measure 98: CTE programs, dropout prevention, attendance support, and graduation attainment.

Hillsboro School District is committed to providing a high-quality, relevant, and equitable education to all students, and will continue to strive toward our strategic objective of ensuring that all students graduate on time with career- and college-readiness skills. We welcome and appreciate your partnership in this effort, and look forward to the coming school year.

Respectfully submitted,

Mike Scott
Superintendent

Following the reading of the budget message, Chief Financial Officer Stewart provided information regarding funding categories in the District budget, and the requirements /

restrictions that impact how the funds can be utilized. Budget Committee members discussed the inadequacy of funding for education, and the need to communicate with community members regarding the impact this has on students and on the future of the community. They also commended staff for the quality of the budget document.

Budget Committee Chair Nina Carlson invited public comments. No requests to address the Budget Committee were received.

Lisa Allen MOVED that the Hillsboro School District 1J budget for 2017-18 in the aggregate amount of \$301,738,600 (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 \$69,449,368. She further moved that tax levies totaling \$33,583,646 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 both Martin Granum and Wayne Clift simultaneously. The MOTION CARRIED (14-0).

Chief Financial Officer Stewart explained that the approved 2017-18 budget will be presented to the Board on June 13 for public hearing and adoption.

The Budget Committee meeting was adjourned at 8:16 PM.

HILLSBORO SCHOOL DISTRICT 1J BOARD OF DIRECTORS – MINUTES

May 09, 2017

District Administration Center, 3083 NE 49th Place, Hillsboro, Oregon

EXECUTIVE SESSION

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

Board Present:

Wayne Clift, Chair

Glenn Miller, Vice Chair

Monte Akers

Lisa Allen

Erik Seligman (via speaker phone)

Janeen Sollman

Staff Present:

Val Bokma, Assistant to the Board

Others Present:

Greg McKenzie, Consultant

Board Chair Wayne Clift called the meeting to order at 5:18 PM and moved the Board into executive session under ORS 192.660(2)(i)—Evaluation of the Superintendent.

Director Erik Seligman attended the meeting via speaker phone. Director Janeen Sollman arrived at 5:37 PM. Director Kim Strelchun was unable to attend.

The Board discussed the superintendent's evaluation, inviting consultant Greg McKenzie (NextUp Leadership) to participate in the discussion. No action was taken.

Board Chair Clift adjourned the meeting at 6:44 PM.

HILLSBORO SCHOOL DISTRICT BOARD OF DIRECTORS—MINUTES
May 23, 2017
District Administration Center, 3083 NE 49th Place, Hillsboro, Oregon

DRAFT

1. **EXECUTIVE SESSION**

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

Board Present:

Wayne Clift, Chair
Glenn Miller, Vice Chair
Monte Akers
Lisa Allen
Erik Seligman
Janeen Sollman
Kim Strelchun

Administration / Staff Present:

Val Bokma, Assistant to the Board

Board Chair Wayne Clift called the meeting to order at 5:17 PM, and moved the Board into executive session under ORS 192.660(2)(i)—evaluation of the Superintendent.

Director Janeen Sollman initially attended the meeting via speaker phone, but arrived in person during the meeting.

The Board discussed the Superintendent's evaluation. No action was taken. Board Chair Clift moved the Board out of executive session and recessed the meeting at 5:33 PM.

2. **WORK SESSION**

Board Present:

Wayne Clift, Chair
Glenn Miller, Vice Chair
Monte Akers
Lisa Allen
Erik Seligman
Janeen Sollman
Kim Strelchun

Staff Present:

Mike Scott, Superintendent
Dayle Spitzer, Assistant Superintendent, School Performance
Kona Lew-Williams, Chief Human Resources Officer
Adam Stewart, Chief Financial Officer
Beth Graser, Director, Communications
Val Bokma, Assistant to the Board
Devin Hunter, Technology Support

Board Members-Elect Present:

Jaci Spross
Mark Watson

Others Present:

Greg McKenzie

Board Chair Wayne Clift called the meeting to order at 5:46 PM.

a. Board Evaluation Report

Greg McKenzie (NextUp Leadership) explained that the self-evaluation process adopted by the Board in 2016 is one element of a coordinated evaluation system that includes the Superintendent's evaluation, and will also include a District evaluation process (currently under development). Mr. McKenzie presented a compiled report of Board members' reflections regarding standards and indicators for the 2016-17 school year, and discussed with the Board how this information can be used to maximize the Board's future effectiveness.

b. Presentation of District Evaluation Process

Greg McKenzie (NextUp Leadership) presented a draft District evaluation process that can be used to measure the District's progress in relation to its Strategic Plan, annual work plan, and SMART goals; and to assess important areas that would not reasonably be included in either the Superintendent or Board evaluation process. The proposed District evaluation process could result in an annual "state of the District" report and serve as a useful tool for planning, prioritizing, and budgeting.

Board members agreed that the District evaluation process will be presented to the Board for adoption during the September regular session. District administrators will create a matrix, including the projected date when each area of information will be available, and present it to the Board during the summer retreat. Qualitative data will be gathered via interviews and questionnaires next summer.

c. Bond Discussion – Board Commitment

Board members discussed the work that needs to be accomplished in order to conduct a successful bond campaign, including information that needs to be gathered and communicated, and partnerships that need to be developed. Director Kim Strelchun emphasized that achieving success in the November election will require all Board members to identify their personal strengths and be invested in the work.

d. Discuss Board Meeting Dates for 2017-18

Board members discussed the proposed meeting dates for the 2017-18 school year. Based on input that was gathered from new and continuing Board members, it was agreed that the following changes will be made to the proposed schedule: The full-day session will be moved to July 31, and the April work session will be moved to April 10. Because two meetings are being scheduled in July, no meetings will be scheduled in August.

The Board is scheduled to approve the 2017-18 meeting schedule on June 13.

e. Board Discussion Time

1) Workers' Compensation Coverage

Chief Financial Officer Adam Stewart explained that the District is in the process of moving to a different insurance carrier for workers' compensation, in response to substantial increases in insurance costs, and has received a quote from the State Accident Insurance Fund (SAIF) Corporation that would result in significant cost savings. In addition, the District has been informed that the cost of providing workers' compensation insurance to volunteers will be increasing considerably. Therefore, the District has been working with the insurance carrier to identify alternative insurance coverage for volunteers, rather than including them in the workers' compensation policy. Details will be

finalized, and a resolution regarding workers' compensation coverage will be presented to the Board for approval during a future meeting.

2) Revenue Forecast

Chief Financial Officer Adam Stewart presented an update on the state revenue forecast. Key points of the discussion included the possibility that the "kicker" may be triggered, the state budget forecast schedule, and the importance of advocacy for school funding.

3) Board Discussion

Board members discussed District events and processes, and provided brief summaries of their recent and upcoming activities.

Board members discussed the opportunity to participate in the Oregon School Boards Association's (OSBA's) Promise Scholarship Program during the 2017-18 school year, and invited the input of the Board members-elect who were present (Jaci Spross and Mark Watson). The consensus was in support of participating in the program. Formal approval is scheduled on the June 13 Board meeting agenda.

Board Chair Wayne Clift thanked all Board candidates for well-run races, thanked all Board members for their service, and offered congratulations to newly elected Board members.

f. Recess Board Meeting

The meeting was recessed at 6:50 PM.

REGULAR SESSION

Board Present:

Wayne Clift, Chair
Glenn Miller, Vice Chair
Monte Akers
Lisa Allen
Erik Seligman
Janeen Sollman
Kim Strelchun

Board Members-Elect Present:

Jaci Spross
Mark Watson

Staff Present:

Mike Scott, Superintendent
Travis Reiman, Assistant Superintendent, Academic Services
Dayle Spitzer, Assistant Superintendent, School Performance
Kona Lew-Williams, Chief Human Resources Officer
Adam Stewart, Chief Financial Officer
Beth Graser, Director, Communications
Nathan Roedel, Director, Nutrition Services
Becky Kingsmith, Coordinator, Teaching and Learning
Paul Hanson, HS Science Implementation and Support TOSA
Val Bokma, Assistant to the Board
Martha Méndez Bolaños, Bilingual Interpreter / Translator
Gaspar Lopez Lopez, Bilingual Interpreter
Devin Hunter, Technology Support

Others Present:

Cathy Swider	Ting Zhao
Loridee Wetzel	Ladd Acres and Jackson Elementary School Chinese World
Fran Sinapi	Language Program Students
Sarah Crane	Melody Hansen, HCU
Mark Salzwedel	Jill Golay, HEA

3. Call to Order and Flag Salute

Board Chair Wayne Clift reconvened the meeting at 7:00 PM and led the Pledge of Allegiance.

4. RECOGNITION / PRESENTATION

a. Student Presentation: Hillsboro School District Chinese World Language Program
Ladd Acres Elementary School Principal Fran Sinapi, Jackson Elementary School Principal Sarah Crane, teachers Mark Salzwedel and Ting Zhao, and students from Ladd Acres and Jackson Elementary School who participate in the Chinese World Language Program provided information regarding the program, its benefits, and future plans. Students demonstrated lessons they have learned in music and language.

b. Recognition: District Partnership with the Oregon Robotics Tournament & Outreach Program (ORTOP)

Cathy Swider, ORTOP Senior Program Manager, and Loridee Wetzel, *FIRST* (“For Inspiration and Recognition of Science and Technology”) LEGO League Program Manager, thanked Hillsboro School District for 15 years of supporting the ORTOP program, including engaging staff members, parents, and students to be involved in the program, and allowing District facilities to be used for ORTOP events. Appreciation was expressed for the contributions that Wayne Clift, Devin Hunter, Theresa Alexander, Chris Steiner, Don Domes, and Sharon McCarty have made to the success of the program. ORTOP staff look forward to continuing their partnership with Hillsboro School District in the coming years.

5. Approval of Agenda

Director Glenn Miller MOVED, SECONDED by Director Kim Strelchun, to approve the agenda. The MOTION CARRIED (7-0).

6. Audience Time

Jim Dunlop thanked Board members for the arts reinvestment funds that have benefited the Century High School marching band for the past two years, and asked that the support for music programs be continued in the future.

7. REPORTS AND DISCUSSION

a. First Reading – Physics Instructional Materials Adoption

The first reading of ninth grade physics instructional materials – *Physics, A First Course* and *Pattern Physics* – was presented by Assistant Superintendent Travis Reiman, Coordinator of Teaching and Learning Becky Kingsmith, and Teacher on Special Assignment (TOSA) Paul Hanson. In addition to *Physics, A First Course* and *Pattern Physics*, a complementary investment in instructional technology was also recommended.

The presentation included an overview of the curriculum review and core instructional materials adoption cycle; the high school science adoption timeline; and details of the Physics 1 resource / program review schedule. Additional key points of the discussion included the cost / funding of the materials, technology requirements, and plans for professional development. The total estimated cost of the materials recommendation, \$157,476, is within budget for Physics 1.

Assistant Superintendent Reiman explained that the CCAC voted unanimously on May 1 to recommend the proposal to the Board for approval. The Board is scheduled to take action on the recommendation on June 13.

b. Financial Report

Chief Financial Officer Adam Stewart presented the monthly financial report. The report is included in the Board meeting packet.

c. Policies—First Reading

If no public comments or questions are received regarding these policies during the review period, they will be placed on the consent agenda for approval during the next regular meeting.

1) Policies Regarding Nutrition and Wellness

Nutrition Services Director Nathan Roedel presented the following policies regarding nutrition and wellness for first reading.

- a) Policy EFA: Local Wellness Program
- b) Policy EFAA: District Nutrition and Food Services
- c) Policy EFAA-AR: Reimbursable School Meals
- d) Delete Policy EFAE and EFAE-AR: Child Nutrition – Hearings Procedure / Appeal Process
- e) Delete Policy EFAH: Child Nutrition – Collections Procedures and Accountability System

Director Roedel explained that the revisions are recommended as a result of changes in legislation and state agency operations, and in order to provide clarification. He explained that policies EFAE, EFAE-AR and EFAH are being recommended for deletion because the processes addressed in these

documents are now part of the annual agreement with the Oregon Department of Education (ODE).

The proposed policy revisions are included in the Board meeting packet.

8. CONSENT AGENDA

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

Director Kim Strelchun MOVED, SECONDED by Director Lisa Allen, to approve the Consent Agenda as printed. The MOTION CARRIED (7-0).

Consent Agenda items were as follows:

- a. Approve Minutes of April 4, 2017, Board Meeting
- b. Approve Minutes of April 25, 2017, Board Meeting
- c. Approve Routine Personnel Matters
- d. Accept Donations
- e. Approve Consolidated ESEA Subgrants
- f. Approve Nutrition Services Meal Prices
- g. Adjust Appropriations
- h. Approve Policy Revisions

The following policies were presented for first reading on April 25, 2017

- 1) Policy LGA – Compliance with Standards
- 2) Policy IIA - Instructional Resources / Instructional Materials
- 3) Policy ING – Animals in District Facilities
- 4) Policy IIBGA - Electronic Communications System

9. ACTION ITEMS

a. Act on November 2017 Bond Recommendation

Chief Financial Officer Adam Stewart explained that the recommendation of the Bond Advisory Committee, presented to the Board in April, is the culmination of several months of work. The recommendation is that a \$408 million bond program be presented to voters in November 2017. The bond program is estimated to maintain the current tax rate. Components of the bond package, which includes projects at every school in the District, are summarized in the April 25 and May 23 Board meeting packets.

Director Monte Akers MOVED, SECONDED by Director Kim Strelchun, that the Board of Directors endorse the construction bond proposal for the November 2017 election, as described; and direct staff to begin communications regarding the proposal and to prepare specific documents necessary to meet legal and informational requirements, according to election laws. The MOTION CARRIED (7-0).

Board members thanked the Bond Advisory Committee and District staff for their work.

b. Approve Nutrition Services Freezer Replacement and Exemption from Competitive Bidding

Board Chair Wayne Clift recessed the Board meeting and convened a meeting of the Local Contract Review Board (LCRB).

Chief Financial Officer Adam Stewart and Nutrition Services Director Nathan Roedel explained that the Nutrition Services department operates a dry, frozen, and

refrigerated warehouse and distribution system out of the Witch Hazel Road Facilities location. During the summer of 2016, it was discovered that the floor of the freezer in the warehouse was buckling and heaving, due to a buildup of frost and moisture under the concrete floor slab. Efforts to remedy the situation have not been successful, the situation has continued to deteriorate, and staff with forklifts are now unable to access a portion of the freezer. If the freezer were to be emptied and repaired, the cost of storing its contents during the repair period would be approximately \$100,000. Instead, it is recommended that a new freestanding aboveground freezer be constructed inside the existing warehouse at a cost of approximately \$400,000. The new freezer would not be susceptible to the same ventilation issues, and this solution would allow the District to convert the existing freezer to provide expanded refrigeration space, which will be needed as new schools are built. A quote from vendor Smith & Greene was solicited through an interstate cooperative procurement from the State of Washington, for which competitive bids are not required. However, because the contract would exceed the threshold of \$250,000, Local Contract Review Board (LCRB) approval is needed.

Funding for this project would be derived from both the Construction Excise Tax (CET) and Nutrition Services funds, with CET ultimately contributing \$300,000 toward the project, and Nutrition Services contributing up to \$100,000, using an inter-fund loan repayment schedule.

Director Glenn Miller MOVED, SECONDED by Director Janeen Sollman, that the Board of Directors, acting in the capacity of the Local Contract Review Board, declare an exemption from competitive bidding requirements for the construction of a new freestanding freezer inside the existing warehouse, and approve this proposal for the freezer replacement. The MOTION CARRIED (7-0).

Board Chair Clift adjourned the meeting of the LCRB and reconvened the Board meeting.

10. NWRESA/HCU/HEA Reports

HCU Secretary Melody Hansen discussed the importance of restoring positions and hours that have been cut from classified staff over several years of budget reductions, and the need for state policy-makers to prioritize funding for public schools.

HEA President Jill Golay agreed with Ms. Hansen's comments, emphasized the need for everyone to advocate with legislators for school funding, and asked that resources for teachers with blended classes be prioritized, if additional funding is received.

11. Superintendent's Time

Superintendent Scott discussed District events and processes, thanked all of the candidates who participated in the recent Board election process, and thanked staff, community members, Bond Advisory Committee members and co-chairs, Long-Range Planning Committee members, and everyone else who contributed during the two-year process that led to the approval of the bond recommendation.

12. Board of Directors' Time

Board members provided brief summaries of their recent and upcoming activities, and discussed the recent, successful Proud to be HSD Festival, and upcoming graduation ceremonies.

13. Follow-Up Items

Agenda Item / Request	Action
n/a	n/a

14. Executive Session

No executive session was called.

15. Adjournment

The meeting was adjourned at 8:17 PM.

HILLSBORO SCHOOL DISTRICT 1J
June 13, 2017
APPROVE ROUTINE PERSONNEL MATTERS

The Superintendent recommends that the Board of Directors:

A. Ratify the acceptance of the retirement of the following licensed personnel:

Shelly Bishop

Assignment: 1.0 FTE Kindergarten
Location: Ladd Acres Elementary School
Effective Date: June 26, 2017
Years of Service: 19 years

Charlotte Bushnell

Assignment: 1.0 FTE Spanish
Location: Hillsboro High School
Effective Date: June 26, 2017
Years of Service: 26 years

Jeff Hollamon

Assignment: 1.0 FTE Alternative Education
Location: Hillsboro High School
Effective Date: June 26, 2017
Years of Service: 20 years

Judith Goodman

Assignment: 1.0 FTE Kindergarten
Location: Orenco Elementary School
Effective Date: June 26, 2017
Years of Service: 33 years

Theresa Kirsch

Assignment: 1.0 FTE Mathematics
Location: Century High School
Effective Date: June 26, 2017
Years of Service: 32 years

Mary Kathleen Lacock

Assignment: 1.0 FTE Instructional Coach
Location: Liberty High School
Effective Date: June 26, 2017
Years of Service: 26 years

James Morley

Assignment: 1.0 FTE Computers
Location: Century High School
Effective Date: June 26, 2017
Years of Service: 39 years

- B. Ratify the acceptance of the resignation of the following licensed personnel:

Florence Aguirre

Assignment: 1.0 FTE 1st Grade Dual
Location: Lincoln Street Elementary School
Effective Date: June 26, 2017

Ashley Bonallo

Assignment: 1.0 FTE 1st Grade
Location: West Union Elementary School
Effective Date: June 26, 2017

Jennifer Byrnes

Assignment: 1.0 FTE 4th Grade
Location: Free Orchards Elementary School
Effective Date: June 26, 2017

Zachary Feely

Assignment: 1.0 FTE Music
Location: Eastwood Elementary School
Effective Date: June 26, 2017

Gabriel Gonzalez

Assignment: 1.0 FTE 4th Grade
Location: W. L. Henry Elementary School
Effective Date: June 26, 2017

Jacquelin Gross

Assignment: 1.0 FTE Mathematics
Location: South Meadows Middle School
Effective Date: June 26, 2017

Renae Iverson

Assignment: 1.0 FTE Beginning Teacher Mentor
Location: Office for School Performance
Effective Date: June 26, 2017

Aaron Johnson

Assignment: 1.0 FTE Mathematics
Location: Liberty High School
Effective Date: June 26, 2017

Kaleigh Kelchner

Assignment: 1.0 FTE Social Communications Center
Location: Butternut Creek Elementary School
Effective Date: June 26, 2017

Emily McMullen

Assignment: 1.0 FTE Music
Location: Imlay Elementary School
Effective Date: June 26, 2017

Christopher O'Brien

Assignment: 1.0 FTE Technology - Shop
Location: Evergreen Middle School
Effective Date: June 26, 2017

Christina Orozco Acosta

Assignment: 1.0 FTE Bilingual Coach
Location: Lincoln Street Elementary School
Effective Date: June 26, 2017

Lauren Pohl

Assignment: 1.0 FTE 2nd Grade
Location: Mooberry Elementary School
Effective Date: June 26, 2017

Elizabeth Roberson

Assignment: 1.0 FTE Science
Location: Hillsboro High School
Effective Date: June 26, 2017

Mary White

Assignment: 1.0 FTE English Language Learner
Location: Free Orchards Elementary School
Effective Date: June 26, 2017

Morgan Zaro

Assignment: 1.0 FTE 3rd/4th Grade Dual
Location: Reedville Elementary School
Effective Date: June 26, 2017

- C. Approve the employment of the following licensed personnel in the 2017-18 school year:

Devon Baker

Education: MA – Oregon State University, Corvallis, OR
Experience: 18 years
Assignment: 1.0 FTE Science – Liberty High School

Alejandro Carrero Ramos

Education: BA – Alejandro de Humboldt University, Valencia, Venezuela
Experience: None
Assignment: 1.0 FTE Dual Social Studies – South Meadows Middle School

Bryan Davis

Education: MA – Pacific University, Forest Grove, OR
Experience: None
Assignment: 1.0 FTE Language Arts – Liberty High School

Linda Fox

Education: MA – Portland State University, Portland, OR
Experience: 39 years
Assignment: 0.5 FTE 6th Grade – Patterson Elementary School

Matthew Kitchen

Education: MA – Pacific University, Forest Grove, OR
Experience: 3 years
Assignment: 1.0 FTE Dual Mathematics – Hillsboro High School

Gina Lizarraga Arciga

Education: BA – Portland State University, Portland, OR
Experience: 6 years
Assignment: 1.0 FTE Dual 4th Grade – Witch Hazel Elementary School

Ada Lukas

Education: MA – University of San Diego, San Diego, CA
Experience: 14 years
Assignment: 1.0 FTE 4th Grade – Free Orchards Elementary School

Lorrie McKedy

Education: MA – Northwest Christian College, Eugene, OR
Experience: 13 years
Assignment: 1.0 FTE Counselor – Hillsboro High School

Holly Turner

Education: MA – Pacific University, Forest Grove, OR
Experience: None
Assignment: 0.8 FTE Speech Language Pathologist – McKinney Elementary School
0.1 FTE Speech Language Pathologist – Jackson Elementary School
0.1 FTE Speech Language Pathologist – Evergreen Middle School

Jennifer Wood

Education: MA – Lewis and Clark College, Portland, OR
Experience: 3 years
Assignment: 1.0 FTE School Psychologist – Student Services

HILLSBORO SCHOOL DISTRICT 1J
June 13, 2017
ACCEPT GIFTS AND DONATIONS
(as of May 30, 2017)

SITUATION

District Policy KH states that the District may receive donations of gifts that may serve to enhance and extend the work of the District, subject to Board approval. Individuals who desire to make contributions are encouraged to consider donations for equipment or services that are not likely to be acquired from public fund expenditures.

The purpose of this report is to describe to the Board the donations received that are valued at \$5,000 or more.

- Donation of \$54,430 from Intel Involved Volunteer Grant Program to be distributed and used as follows:
 - \$19,865 to Glencoe High School for robotics teams
 - \$11,780 to Glencoe High School for general education
 - \$6,850 to Ladd Acres Elementary School for general education
 - \$4,995 to Patterson Elementary School for general education
 - \$3,840 to Hillsboro School District's Office for School Performance for student achievement programs
 - \$2,510 to Glencoe High School for the dance team
 - \$2,405 to Imlay Elementary School for general education
 - \$1,420 to Reedville Elementary School for general education
 - \$765 to Hillsboro Online Academy for general education

RECOMMENDATION

The Superintendent recommends that the Board of Directors accept these donations.

HILLSBORO SCHOOL DISTRICT 1J
June 13, 2017
AWARD BID FOR DAIRY PRODUCTS

SITUATION

The current contract for dairy products will expire at the end of the 2016-17 school year. Requests for proposals (RFPs) for supply and delivery of dairy products for the 2017-18 school year were published in the *Daily Journal of Commerce* on March 31, 2017, and mailed to six (6) Oregon vendors. Bids were received and opened on April 21, 2017. The contract includes an annual renewal option, whereby the chief financial officer may negotiate and renew the contract for up to four (4) additional years, upon review by District staff of pricing and service. Below is the summary of the bids received.

VENDOR	TOTAL PROPOSAL	<i>Like-Item Comparison*</i>
Alpenrose Dairy	\$522,424	\$479,460
Sunshine Dairy	\$387,526	\$387,526

Sunshine Dairy did not bid on all items solicited, and submitted the lowest bid. However, Alpenrose was rated highest overall in the scoring matrix, thus earning the recommendation to be awarded this contract under the terms included in the RFP.

***"Like-Item Comparison" values the products for which both vendors submitted pricing. This number and comparison is for reference only and reflects only the items in common in the proposals submitted by the responding vendors.*

RECOMMENDATION

The Superintendent recommends that the Board of Directors award the bid for supply and delivery of dairy products, with an option to renew for up to four years, to Alpenrose Dairy in the amount of \$522,424 for the 2017-18 school year.

HILLSBORO SCHOOL DISTRICT 1J

May 23, 2017

**APPROVE REVISIONS TO POLICIES REGARDING NUTRITION AND WELLNESS –
POLICY EFA: LOCAL WELLNESS PROGRAM;
POLICY EFAA: DISTRICT NUTRITION AND FOOD SERVICES;
POLICY EFAA-AR: REIMBURSABLE SCHOOL MEALS;
DELETE POLICY EFAE AND EFAE-AR: CHILD NUTRITION – HEARINGS
PROCEDURE / APPEAL PROCESS;
DELETE POLICY EFAH: CHILD NUTRITION – COLLECTIONS PROCEDURES AND
ACCOUNTABILITY SYSTEM**

SITUATION

Oregon School Boards Association (OSBA) has recommended revisions to the following Board policies, to improve clarity and ensure that the policies align with new legal requirements:

- Policy EFA: Local Wellness Program
- Policy EFAA: District Nutrition and Food Services
- Policy EFAA-AR: Reimbursable School Meals
- Policy EFAE and EFAE-AR: Child Nutrition – Hearings Procedure / Appeal Process (delete)
- Policy EFAH: Child Nutrition – Collections Procedures and Accountability System (delete)

The new legal requirements include the new rules for the Healthy Hunger Free Kids Act of 2010, which are effective June 30, 2017. OSBA's policy recommendations were drafted in collaboration with the Oregon Department of Education (ODE) to meet these federal requirements. Policy EFA will be required as part of the ODE child nutrition audit, beginning with the 2017-18 school year.

OSBA is recommending that policies EFAE and EFAH, and administrative regulation EFAE-AR be deleted, as they are now part of the annual agreement with ODE.

These proposed policy revisions were presented to the Board for first reading on May 23, 2017. No public comments or questions were received during the review period.

RECOMMENDATION

The Superintendent recommends that the Board of Directors approve the recommended revisions and deletions of policies that address District nutrition, food services, and wellness programs.

Local Wellness Program

~~The Board recognizes that childhood obesity has become an epidemic in Oregon, as well as throughout the nation. Research indicates that obesity and many diseases associated with obesity are largely preventable through diet and regular physical activity. Additional research indicates that healthy eating patterns and increased physical activity are essential for students to achieve their academic potential, full physical and mental growth, and lifelong health and well-being.~~

The District is committed to the optimal development of every student and believes that a positive, safe, and health-promoting learning environment is necessary for students to have the opportunity to achieve personal, academic, developmental, and social success.

To help ensure that students possess the knowledge and skills necessary to make healthy choices for a lifetime, the Superintendent or designee shall prepare and implement a comprehensive District nutrition program consistent with state and federal requirements for districts sponsoring the National School Lunch Program (NSLP) and/or the School Breakfast Program (SBP). The program shall reflect the Board's commitment to providing adequate time for instruction that ~~promotes~~ fosters healthy eating through nutrition education and promotion, serving healthy and appealing foods at District schools, developing food-use guidelines for staff, and establishing liaisons with nutrition service providers, as appropriate.

The input of staff (including, but not limited to, physical education and school health professionals), students, parents, the public, the Board, school administrators, representatives of the school food authority, and public health professionals will be encouraged in the development of wellness policy. The Superintendent or designee will develop administrative regulations, as necessary to implement the goals of this the local wellness plan and ensure compliance of such policy throughout the District.

WELLNESS POLICY IMPLEMENTATION, MONITORING, ACCOUNTABILITY, AND COMMUNITY ENGAGEMENT

Implementation Plan

The District shall develop and maintain a plan to manage and coordinate the implementation of this wellness policy.

The plan will:

1. Delineate roles, responsibilities, actions and timelines specific to each school;
2. Include information about who will be responsible to make what change, by how much, where and when;

3. Include specific goals and objectives for nutrition standards for all foods and beverages available on the school campus, and in food and beverage marketing; and
4. Include specific goals and objectives for nutrition promotion and education, physical activity, physical education, and other school-based activities that promote student wellness.

In an effort to measure the implementation of this policy, the Board designates the Superintendent or designee as the person who will be responsible for ensuring that each school meets the goals outlined in this policy.

Record Keeping

The District will retain the following records to document compliance with the requirements of the wellness policy at the District's administrative offices.

1. The written wellness policy;
2. Documentation demonstrating that the policy has been made available to the public;
3. Documentation of efforts to review and update the local wellness policy, including an indication of who is involved in the update and the methods the District uses to make stakeholders aware of their ability to participate;
4. Documentation to demonstrate compliance with the annual public notification requirements;
5. The most recent assessment on the implementation of the local wellness policy;
6. Documentation demonstrating that the most recent assessment on the implementation of the local wellness policy has been made available to the public.

Annual Notification of Policy

The District will make available to the public annually an assessment of the implementation, including the extent to which the schools are in compliance with policy, how the policy compares to model policy and a description of the progress being made in attaining the goals of the policy. The District will make this information available through the District website. The District will also publicize the name and contact information of the District or school official(s) leading and coordinating the policy, as well as information on how the public can get involved with the local wellness policy.

Triennial Progress Assessments

At least once every three years, the District will evaluate compliance with the local wellness policy, to assess the implementation of the policy and produce a triennial progress report that will include:

1. The extent to which schools under the jurisdiction of the District are in compliance with the policy;
2. The extent to which the District's policy compares to model wellness policy; and

3. A description of the progress made in attaining the goals of the District's policy.

The District will actively notify households/families of the availability of the triennial progress report.

Revisions and Updating the Policy

The District will update or modify the local wellness policy based on the results of the triennial assessments and/or as District priorities change; community needs change; wellness goals are met; new health science, information, and technology emerge; and new federal or state guidance or standards are issued. The local wellness policy will be assessed and updated, as indicated, at least every three years following the triennial assessment.

Community Involvement, Outreach, and Communications

The District will actively communicate ways in which the community can participate in the development, implementation, and periodic review and update of the local wellness policy through a variety of means appropriate for the District. The District will also ensure that communications are culturally and linguistically appropriate to the community, and accomplished through means similar to other ways that the District and individual schools communicate important school information to parents.

NUTRITION PROMOTION AND NUTRITION EDUCATION

~~Nutrition Promotion and Nutrition Education~~

~~Nutrition promotion supports the integration of nutrition education throughout the school environment. Nutrition education topics shall be integrated within the sequential, comprehensive health education program taught at every grade level, pre-kindergarten through grade 12, and coordinated with the District's nutrition and food services operation.~~

~~Nutrition Guidelines~~

~~It is the intent of the Board that District schools be proactive in encouraging students to make nutritious food choices. All food and beverage items sold to students in a K-12 public school as part of the regular or extended school day shall meet the minimum state and federal standards. Exceptions to this requirement include items that are part of the USDA National School Lunch Program or School Breakfast Program. Other exceptions are foods and beverages provided in the following instances:~~

- ~~4. When the school is the site of school-related events, or events for which parents and other adults are a significant part of an audience; or~~
- ~~5. The sale of food or beverage items before, during, or after a sporting event, interscholastic activity, a play, band, or choir concert.~~

~~Although the Board believes that the District's nutrition and food services operation should be financially self-supporting, it recognizes that the nutrition program is an essential educational and support activity. Therefore, budget neutrality or profit generation must not take precedence over the nutrition needs of its students. In compliance with federal law, the District's NSLP and SBP shall be nonprofit.~~

~~The Superintendent or designee is directed to develop administrative regulations to implement this policy that address all food and beverage items sold and/or served to students in District schools, including provisions for staff development, family and community involvement, and program evaluation. These food and beverage items include competitive foods, snacks and beverages sold from vending machines and school stores, and similar food and beverage items from fund-raising activities.~~

Nutrition promotion and nutrition education positively influence lifelong eating behaviors by using evidence-based techniques and nutrition messages, by creating food environments that encourage healthy nutrition choices, and by encouraging participation in school meal programs. Students and staff will receive consistent nutrition messages throughout the school environment. Nutrition promotion also includes marketing and advertising nutritious foods and beverages to students and is most effective when implemented consistently through a comprehensive and multi-channel approach by staff, teachers, parents, students and the community.

School Meals

The District participates in U.S. Department of Agriculture (USDA) child nutrition programs, administered through the Oregon Department of Education (ODE), including the National School Lunch Program (NSLP), the School Breakfast Program (SBP), and the Summer Food Service Program (SFSP). The District also operates additional nutrition-related programs and activities, including Farm-to-School programs and school gardens. Additionally, the District may participate in the Fresh Fruit & Vegetable Program (FFVP) and the Child and Adult Care Food Program (CACFP).

Staff Qualifications and Professional Development

All school nutrition program directors, managers, and staff will meet or exceed hiring and annual continuing education/training requirements in the USDA Professional Standards for Child Nutrition Professionals.

Water

Free, safe, unflavored, drinking water will be available to all students throughout the school day and throughout every school campus. The District will make drinking water available where school meals are served during mealtimes.

Competitive Foods and Beverages

All foods and beverages outside the reimbursable school meal programs that are sold to students on the school campus during the school day and extended school day will meet or exceed the nutrition standards set by the USDA and the Oregon Smart Snacks Standards¹. These standards will apply in all locations and through all services where foods and beverages are sold, which may include, but are not limited to, à la carte options in cafeterias, vending machines, school stores, and snack or food carts.

Food sold in competition with the SBP or NSLP shall not be allowed during the breakfast and/or lunch periods unless the funds accrue to the nonprofit food service program, the school, or student organizations, as may be defined by the District school Board.

¹[Oregon Department of Education, Oregon Smart Snacks Standards](#)

Celebrations and Rewards

All foods offered on the school campus are encouraged to meet the nutrition standards set by the USDA and the Oregon Smart Snacks Standards. This includes, but is not limited to, celebrations, parties, classroom snacks brought by parents, rewards, and incentives.

Fund-Raising

Foods and beverages that meet or exceed the nutrition standards set by the USDA and the Oregon Smart Snacks Standards may be sold through fund-raisers on the school campus during the school day.

Food and Beverage Marketing in Schools

Any foods and beverages marketed or promoted to students on the school campus during the school day will meet or exceed the nutrition standards set by the USDA and the Oregon Smart Snacks Standards.

“Food and beverage marketing” is defined as advertising and other promotion in schools. Food and beverage marketing often includes an oral, written, or graphic statement made for the purpose of promoting the sale of a food or beverage product made by the producer, manufacturer, seller, or any other entity with a commercial interest in the product.

PHYSICAL ACTIVITY / PHYSICAL EDUCATION

~~Physical Education / Activity~~

The Board realizes that a quality physical education program is an essential component for all students to learn about and participate in physical activity.

Physical activity should be included in a school’s daily education program for grades pre-K through 12. Physical activity should include regular instructional physical education, as well as co-curricular activities and recess. The District will develop and assess student performance standards in order to meet the Oregon Department of Education’s (ODE’s) physical education content standards.

~~Reimbursable School Meals~~

~~The District may enter into an agreement with the Oregon Department of Education to operate reimbursable school meal programs. The Superintendent or designee will develop administrative regulations, as necessary to implement this policy and meet the requirements of state and federal law. These guidelines shall not be less restrictive than regulations and guidance issued by the Secretary of Agriculture, pursuant to subsections (a) and (b) of section 10 of the Child Nutrition Act (42 U.S.C. 1779) and section 9(f)(1) and 17(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(f)(1), 1766(a)(0)).~~

School Employee Wellness

The District encourages ~~school~~ staff to pursue a healthy lifestyle that contributes to their improved health status, improved morale, and a greater personal commitment to the school’s overall wellness program. Many actions and conditions that affect the health of ~~school employees~~ staff may also influence the health

and learning of students. The physical and mental health of school employees staff is integral to promoting and protecting the health of students, and helps foster their academic success. The District's employee wellness program will promote health and reduce risk behaviors of employees, and identify and correct conditions in the workplace that can compromise the health of school employees staff, reduce their levels of productivity, impede student success, and contribute to escalating health-related costs, such as absenteeism.

The District will work with community partners to identify programs / services and resources to compliment and enrich employee wellness endeavors.

Other Activities that Promote Student Wellness

~~Other School-Based Activities~~

The District will integrate wellness activities throughout the entire school environment (districtwide), not just in the cafeterias, other food and beverage venues, and physical activity facilities. The District will coordinate and integrate other initiatives related to physical activity, physical education, nutrition, and other wellness components, so all efforts are complimentary, not duplicated, and work toward the same set of goals and objectives promoting student well-being, optimal development, and strong educational outcomes.

~~The District will promote District- and community-based activities that foster healthy eating, and create environments that promote physical activity. Families and the community will be encouraged to provide healthy food choices in all situations where food is served. Educational workshops, screenings, and literature related to healthy food choices and physical activity may be offered to families.~~

~~Evaluation of the Local Wellness Policy~~

~~The Board will involve staff (including, but not limited to, physical education and school health professionals), parents, students, representatives of the school food authority, public health professionals, school administrators, and the public in the development, implementation, periodic review, and yearly update of this policy. In an effort to measure the implementation of this policy, the Board designates the Superintendent or designee as the person who will be responsible for ensuring each school meets the goals outlined in this policy. The District will make available to the public annually an assessment of the implementation, including the extent to which the schools are in compliance with policy, how the policy compares to model policy, and a description of the progress being made in attaining the goals of this policy.~~

END OF POLICY

Legal Reference(s):

[ORS 329.496](#)
[ORS 332.107](#)
[ORS 336.423](#)

[OAR 581-051-0100](#)
[OAR 581-051-0305](#)
[OAR 581-051-0306](#)

[OAR 581-051-0310](#)
[OAR 581-051-0400](#)

National School Lunch Program, 7 C.F.R. Part 210 (2006).

School Breakfast Program, 7 C.F.R. Part 220 (2006).

Healthy, Hunger-Free Kids Act of 2010, Public Law 111-296 Section 204 42 U.S.C. §1758b.

Hillsboro School District 1J

Code: EF
Adopted: 07/96
Revised: 11/15

District Nutrition and Food Services**

The District may enter into an agreement with the Oregon Department of Education (ODE) to operate the National School Lunch Program (NSLP) and the Commodity Food Distribution Program (CFDP) by signing a permanent Sponsor-ODE Agreement entitling the District to receive reimbursement for all meals that meet program requirements and to earn USDA Food entitlement based on the number of lunches served.

The permanent agreement shall be signed by the Superintendent or other school official with authority to obligate the District to legally binding contracts, subject to annual ODE renewal, and will include, at the District's option, an agreement to operate the School Breakfast Program (SBP), Summer Food Service Program (SFSP), and the Child and Adult Care Food Program (CACFP). The District recognizes that meals and snacks served by the District will not be eligible for reimbursement until the annual program update is received and approved by ODE.

The permanent Sponsor-ODE Agreement shall include assurances by the District that it will follow all NSLP regulations regarding Child Nutrition Programs that the District is approved to operate, including the following:

1. Free and reduced-price process (updated annually);
2. Financial management of the nonprofit school food service;
3. Civil rights and confidentiality procedures;
4. Meal pattern and nutrition content of meals served;
5. Use and control of commodity foods;
6. Accuracy of reimbursement claims;
7. Food safety and sanitation inspections;
8. Nutrition standards for foods and beverages sold to students.

The Superintendent will develop administrative regulations, as necessary to implement this policy and meet the requirements of state and federal law. The regulation(s) will be reviewed and adopted by the Board, as required by law.

END OF POLICY

Legal Reference(s):

[ORS 327.520 - 327.535](#)

[ORS 336.423](#)

[OAR 581-022-1530\(2\)](#)

[OAR 581-051-0100](#)

[OAR 581-051-0305](#)

[OAR 581-051-0310](#)

[OAR 581-051-0400](#)

Nondiscrimination on the Basis of Handicap in Programs or Activities Receiving Federal Financial Assistance, 7 C.F.R. Part 15b (2001).

U.S.D.A., ELIGIBILITY GUIDANCE FOR SCHOOL MEALS MANUAL.

U.S.D.A., FNS INSTRUCTION 765-7 REV. 2: HANDLING LOST, STOLEN AND MISUSED MEAL TICKETS.

Healthy, Hunger-Free Kids Act of 2010, 42 U.S.C. ~~1751~~ §§ ~~203, 205~~ 1758, 1760.

National School Lunch Program 7 C.F.R. Part 210

U.S.D.A. Instruction 113-1 Civil Rights

Donation of Foods for Use in the United States, Its Territories and Possessions and Areas Under its Jurisdiction, 7 C.F.R. Part 250

Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 C.F.R. 200.

Hillsboro School District 1J

Code: EFAA-AR
Adopted: 11/08
Revised: 11/15

Reimbursable School Meals (National School Lunch Program, School Breakfast Program, and other federal meal programs)

The District's nutrition and food services will be operated in accordance with the following requirements:

Meal Pricing Procedures

1. Reimbursable meals served as Breakfast, Lunch, or and After-School Snacks will be priced as a unit.
2. Reimbursable meals served as Breakfast, Lunch, or and After-School Snacks will be served free or at a reduced price to all children who are determined by the District to be eligible for free or reduced-price meals.
3. Annually, the District will establish prices for reimbursable student meals served as Breakfast, Lunch, or and After-School Snacks. The price charged to students who do not qualify for free or reduced-price meals will be established annually by the District, in compliance with state and federal laws.¹
4. The price charged to students who qualify for reduced-price meals will be established annually by the District, in compliance with state and federal laws.²
5. The District will implement claiming alternative Community Eligibility at schools under its jurisdiction that meet federal, state, and District-identified criteria.

Application Procedures

1. Households receiving Supplemental Nutrition Assistance Programs (SNAP) or Temporary Assistance to Needy Families (TANF) benefits, as identified by Oregon Department of Education (ODE), will be automatically eligible for free meals served as Breakfast, Lunch, or and After-School Snacks for the students listed on the official document. Districts must access this document at least three times per year.

¹The new requirement under Healthy, Hunger Free Kids Act of 2010, 42 U.S.C. 1751 §§ 205 establishes new criteria for equity in school lunch pricing.

²According to Direct Certification and Certification of Homeless, Migrant and Runaway Children for Free School Meals, 7 C.F.R. Part 245 (2011).

2. Students receiving support through the migrant education program, Runaway and Homeless Youth Act, McKinney-Vento Homeless Assistance Act, federal Head Start and state-funded prekindergarten programs, with income eligibility criteria identical or more stringent than federal Head Start, or are in state or court placement foster care, shall be categorically eligible for free meals and afterschool snacks, for the students listed on the official documents.
3. Households that submit a confidential application will be notified of their student's eligibility for free or reduced-price meals. Households that are denied free or reduced-price benefits will be notified in writing, using the ODE template letter distributed to the District annually.
4. On a case-by-case basis, when a student is known to be eligible for free or reduced-price meal benefits, and the household fails to submit a confidential application, the Superintendent or designee may complete an application for the student, documenting how he/she knows the household income qualifies the student for free or reduced-price meal benefits. Parents of a student approved for free or reduced-price benefits, when application is made for the student by a school official, will be notified of the decision and given the opportunity to decline benefits.
5. Students who do not qualify for free or reduced-price meals are eligible to participate in the National School Lunch Program (NSLP) and School Breakfast Program (SBP), and will be charged "paid" prices set by the District. "Paid" category students will be treated equally to students receiving free or reduced-price benefits in every aspect of the District's NSLP, and SBP, Summer Food Service Program (SFSP), and Child and Adult Care Food Program (CACFP).
6. The District has established a fair hearing process, under which a household can appeal a decision with respect to the household's application for benefits or any subsequent reduction or termination of benefits.
7. In the event of major employers contemplating large layoffs in the attendance area of the District, the District will provide confidential applications and eligibility criteria for free and reduced-price meals to the employer for distribution to affected employees.

Financial Management of the Nonprofit School Food Service

1. The District will maintain a nonprofit school nutrition and food service operation.
2. Revenues earned by the school nutrition and food services department will be used only for the operation or improvement of the NSLP, and SBP, CACFP, and SFSP.
3. Lunch and breakfast meals served to teachers, administrators, custodians, and other adults not directly involved with the operation of the District's nutrition and food services will be priced to cover all direct and indirect costs of preparing and serving the meal.³

³For meals with portion sizes equivalent to student meals, the adult meal price will be no less than the amount of reimbursement for a free-eligible meal, plus the value of commodity foods used in the meal preparation.

4. District nutrition and food services revenues will not be used to purchase land or buildings.
5. The District will limit its nutrition and food services net cash resources to an amount that does not exceed three months average expenditures.
6. The District will maintain effective control and accountability for, and adequately safeguard, all nutrition and food services' cash, real and personal property, equipment, and other assets, and ensure they are used solely for nutrition and food services purposes.
7. The District will meet the requirements for allowable NSLP, ~~and~~ SBP, CACFP, and SFSP costs, as described in 2 C.F.R. § 200.
8. In purchasing nutrition and food services goods or services, the District will not accept proposals or bids from any party that has developed or drafted specifications, requirements, statements of work, invitations for bids, requests for proposals, contract terms and conditions, or other documents for proposals used to conduct the procurement.
9. All procurement transactions for nutrition and food services goods and services will be conducted according to state, federal, and District procurement standards, using the applicable cost thresholds.
10. In the operation of its nutrition and food services program, the District will purchase food products ~~that~~ where at least 50 percent of the ingredients are produced or processed in the United States, whenever possible.
11. The District may use facilities, equipment, and personnel supported with nutrition and food services revenue to support a nonprofit nutrition program for the elderly.

Civil Rights and Confidentiality Procedures

1. The District will not discriminate against any student because of his/her eligibility for free or reduced-price meals.
2. The District will not discriminate against any student or any nutrition and food services employee because of race, color, religion, sex, sexual orientation, parental status, national origin, marital status, disability, or age.
3. The District will assure that all students and nutrition and food services employees are not subject to different treatment, disparate impact, or a hostile environment.
4. Established District procedures will be followed for receiving and processing civil rights complaints related to applications for NSLP, ~~and~~ SBP, CACFP, and SFSP benefits and services, and employment practices with regard to the operation of its NSLP, ~~and~~ SBP, CACFP, and SFSP. The District will forward any civil rights complaint regarding the District's nutrition and food services to ODE's ~~civil rights coordinator~~ director of Child Nutrition Programs within three days of receiving the complaint.

5. The District will make written or oral translations of all nutrition and food services materials available to all households who do not read or speak English.
6. The District will maintain strict confidentiality of all information ~~on the~~ obtained through a confidential application for free and reduced-price meals or direct certification, including students' eligibility for free or reduced-price meals and all household information. The District's NSLP, ~~and~~ SBP, CACFP, and SFSP operators are not required to release any information from a student's confidential application for free or reduced-price meals. No information may be released from a student's ~~confidential application for free or reduced-price meals~~ eligibility information without first obtaining written permission from the student's parent or legal guardian/adult household member signing the application, except as follows:
 - a. An individual student's name and eligibility status may be released without written consent only to persons who operate or administer federal education programs; persons who operate or administer state education or state health programs at the state level; persons evaluating state education assessments; or persons who operate or administer any other NSLP, SBP, Special Milk Program (SMP), Summer Food Service Program (SFSP), Child and Adult Care Food Program (CACFP), or the Food Stamp Supplemental Nutrition Assistance Program (SNAP);
 - b. Any other confidential information contained in the confidential application for free and reduced-price meals (e.g., family income, address, etc.) may be released without written consent only to persons who operate or administer the NSLP, SBP, SMP, CACFP, ~~or~~ SFSP; and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); the Comptroller General of the United States for audit purposes; and federal, state, or local law enforcement officials investigating alleged violation of any of the programs listed above.

Nutrition and Menu Planning

1. Meals ~~served as Breakfast, Lunch, or and After-School Snacks~~ served for reimbursement will meet the ~~recommendations of the most current~~ *Dietary Guidelines for Americans* nutrition standards established by the U.S. Department of Agriculture (USDA) and Oregon Smart Snacks Standards.
2. Meals ~~served as Breakfast, Lunch, or and After-School Snacks~~ served for reimbursement will meet at least the minimum NSLP, ~~and~~ SBP, SFSP, and CACFP requirements for food item and quantities.
3. Meals served for reimbursement will:
 - a. Meet all calorie range requirements by grade level;
 - b. Meet the maximum required standards set for saturated fat;
 - c. Meet the maximum required standards set for sodium by grade level; and
 - d. Meet the requirement for zero grams of trans fats.

4. The District will use the offer versus serve option when serving NSLP lunches to all students. All students must take at least three of five different food items, including one-half cup of fruit or vegetable offered in program lunches.
5. The District will use the offer versus serve option when serving program breakfasts to all students. All students must take at least two of three menu items, including one-half cup of fruit or vegetable offered in program breakfasts.
6. A copy of the Board minutes adopting the offer versus serve policy for all students in the District for NSLP and SBP, as applicable, will be made available upon request.

Use and Control of Commodity Foods

1. The District will accept and use commodity foods in as large a quantity as may be efficiently utilized in the reimbursable lunch and breakfast programs NSLP, SBP, SFSP, and CACFP.
2. The District will maintain necessary safeguards to prevent theft or spoilage of commodity foods.
3. The value of commodity foods used for any food production other than NSLP, SBP, SFSP, or after-school snacks shall be replaced in the food service inventory.

Accuracy of Reimbursement Claims

1. The District will claim reimbursement only for reimbursable meals served as Breakfast, Lunch, or After-School Snacks to eligible children.
2. All meals served as Breakfast, Lunch, or After-School Snacks, claimed for reimbursement, will be counted at each dining site at a “point of service,” where it can be accurately determined that the meal and afterschool snack meets reimbursable meal requirements under NSLP, and SBP, SFSP, and CACFP requirements for reimbursement.
3. The person responsible for determining reimbursability of meals served as Breakfast, Lunch, or After-School Snacks will be trained to recognize a reimbursable meal.
4. The District official signing the claim for reimbursement will review and analyze monthly meal counts from Breakfast, Lunch, and After-School Snacks counts to ensure accuracy of the claim before submitting the claim to ODE.
5. Annually, by November 15, the District will verify a random sample of applications according to NSLP verification requirements. Instructions for completing the verification process will be sent by ODE to the District in October each year.

Food Safety and Sanitation Inspections

1. The District will maintain necessary facilities for storing, preparing, and serving food and milk.
2. Semiannually, the District will schedule food safety inspections with the county Environmental Health Department ~~or Oregon Department of Human Resources~~ for each school or dining site under its jurisdiction.
3. The District will maintain health standards in compliance with all applicable state food safety regulations at each school or dining site under its jurisdiction.

General USDA NSLP/SBP Requirements

1. The District will ensure that no student is denied a meal as a disciplinary action.
2. Breakfast will be served in the morning hours, at or near the beginning of the student's school day.
3. Lunch will be served between the hours of 10 a.m. and 2 p.m.
4. The District will provide substitute foods for students ~~who are determined by a licensed physician to be legally disabled, and whose disability restricts their diet~~ with a disability⁴ that restricts their diet, when supported by a written statement from a state-licensed health care professional who is authorized to write medical prescriptions. Substitutions will be provided only when a medical statement from the licensed ~~physician~~ health care professional is on file at the school. The medical statement must state the nature of the child's disability and how the disability affects the child's nutrition needs, and it must provide a medical prescription for substitute foods or texture modification impairment, so its effect on the student's diet is understood, and what must be done to accommodate the impairment. The District will not charge more than the price of the school meal, as determined by the child's eligibility status, for ~~substitute meals or foods~~ meals with the accommodation.
5. The District will control the sale of competitive foods.
6. The District will ensure that potable drinking water will be available to students, free of charge, for consumption in the place where meals are served during meal service.⁵
7. The District will notify all households of its meal-charge requirements in the student handbooks each school year. The District's meal-charging requirements are as follows:
 - a. There is no provision for charging at the secondary level.
 - b. A charge account for elementary students purchasing meals may be established with the District. An elementary student may charge up to three meals before they are

⁴To comply with Section 504 as it relates to a student's severe food allergy, such as milk, gluten, nut or soy, and including but not limited to diabetes, colitis, etc.

⁵New requirement under Healthy, Hunger-Free Kids Act of 2010, 42 U.S.C. 1751 §§ 203.

served an alternative meal. Any student failing to keep his or her account current as required by the District shall not be allowed to charge the price of additional meals until the account has been paid in full. Students will be allowed to purchase a single meal if the student pays for the meal when it is received. An automated phone call will inform parents of a negative meal balance. Students or parents of students may prepay meal costs at each site or by using Nutrition Service's on-line payment option.

8. The sale of foods in competition with the District's Lunch (NSLP) or Breakfast (SBP) programs will be allowed in dining sites during lunch and breakfast periods with Board approval only when all income from the food sales accrues to the benefit of the District's nutrition and food services program, or accrues to a school or student organization approved by the Board, and only when the food items for sale fulfill the Oregon Smart Snacks standards. A copy of the Board minutes approving and defining competitive food sales will be made available upon request. Food sales must be in compliance with state and federal guidelines.

9. Students will be charged for second servings of meals or portions of meals served.

Record Keeping

The following documents will be maintained by the District for three years after the current school year or longer, in the event of an unresolved audit(s), until the audit(s) has been completed:

1. All currently approved and denied confidential applications for free and reduced price meals, and all current direct certification documents, eligibility verification documents and school membership or enrollment lists;
2. Financial records that account for all revenues and expenditures of the District's nonprofit nutrition and food services programs, including procurement documents;
3. Records (i.e., recipes, ingredient lists, and nutrition fact labels or product specifications) that document the compliance with nutrition standards for all program and competitive foods available for sale to students at a school campus;
4. Documents of participation data (i.e. e.g., meal counts) from each school in the District to support claims for reimbursement;
5. Production and menu records;
6. Records to document compliance with Paid Lunch Equity; ~~and~~
7. Records to document compliance with Revenue from Non-program Foods; ~~and~~;
8. Internal program monitoring documents for the NSLP, SBP, afterschool snacks, SFSP, and CACFP.

Hillsboro School District 1J

Code: EF AE
Adopted: 07/96
Revised: 11/08

Child Nutrition - Hearings Procedure/Appeal Process**

The District shall establish and use a fair hearing procedure under which a household can appeal a decision made by the school food authority with respect to the household's application for benefits and/or any subsequent reduction or termination of benefits. During the appeal and hearing, the student who was determined to be eligible based on the face of the application submitted will continue to receive free or reduced-price meals. Prior to initiating the hearing procedure, the school official, the parents, or guardians may request a conference to provide an opportunity for the parents/guardians and school officials to discuss the situation, present information, obtain an explanation of data submitted in the application, and talk about the decisions rendered. Such a conference shall not in any way prejudice or diminish the right to a fair hearing.

The District shall designate a hearings officer. (The hearings officer shall be someone not involved in the original eligibility determination.)

END OF POLICY

Legal Reference(s):

Nondiscrimination on the Basis of Handicap in Programs or Activities Receiving Federal Financial Assistance, 7 C.F.R. Part 15b (2001).
National School Lunch Program, 7 C.F.R. Part 210 (2006).
School Breakfast Program, 7 C.F.R. Part 220 (2006).
Determining Eligibility for Free and Reduced Price Meals and Free Milk, 7 C.F.R. § 245.8 (2006).
Uniform Federal Assistance Regulations, 7 C.F.R. Part 3015 (2006).

Child Nutrition - Hearings Procedure/Appeal Process

The District shall ensure that the hearing procedure provides the following for both household and the school food authority:

1. A publicly announced, simple method for making an oral or written request for a hearing.
2. An opportunity to be assisted or represented by an attorney or other person.
3. An opportunity to examine, prior to and during the hearing, the documents and records presented to support the decision under appeal.
4. Reasonable promptness and convenience in scheduling a hearing and adequate notice as to its time and place.
5. An opportunity to present oral or documentary evidence and arguments supporting a position without undue interference.
6. An opportunity to question or refute any testimony or other evidence and to confront and cross examine any adverse witness(es).
7. That the hearing is conducted and the decision made by an official who did not participate in the decision under appeal or any previous conference.
8. That the decision of the hearing official be based on the oral and documentary evidence presented at the hearing and entered into the hearing record.
9. That the parties concerned and any designated representatives thereof be notified in writing of the decision.
10. That for each hearing a written record be prepared, including the decision under appeal, any documentary evidence, a summary of any oral testimony presented at the hearing, the decision of the hearing official and the reasons therefore, and a copy of the notification to the parties concerned of the hearing official's decision.
11. That such written records be retained for a period of three years after the close of the school year to which they pertain. These records must be made available for examination by the parties concerned or their designees at any reasonable time and place during such period.

Child Nutrition - Collection Procedures and Accountability System

In collecting payments, procedures will be developed to ensure that there is no overt identification of free or reduced-price meal recipients. In an offer vs. serve program, a check of the student ID number, as well as a verification of the reimbursable meals is needed.

A computer operated collection system will record monies credited to student accounts. Meal count records and reports will be submitted to the Oregon Department of Education's Child Nutrition Program each month.

Specific measures to protect the identity of free and reduced-meal recipients and meet accountability requirements will include the following:

1. Collection of money and eligibility is confidential and recorded only with cafeteria staff;
2. Money for meals is collected in the cafeteria at the same time and location daily;
3. To prevent overt discrimination, all accounts are displayed the same. The only distinguishing mark is internal to the computer system. The coding sequence is kept confidential;
4. Meals and à la carte items are counted at the time of service.

END OF POLICY

Legal Reference(s):

Nondiscrimination on the Basis of Handicap in Programs or Activities Receiving Federal Financial Assistance, 7 C.F.R. Part 15b (2001).

National School Lunch Program, 7 C.F.R. Part 210 (2006).

School Breakfast Program, 7 C.F.R. Part 220 (2006).

Determining Eligibility for Free and Reduced Price Meals and Free Milk, 7 C.F.R. § 245.8 (2006).

Uniform Federal Assistance Regulations, 7 C.F.R. Part 3015 (2006).

HILLSBORO SCHOOL DISTRICT 1J
June 13, 2017
ADOPT RESOLUTIONS TO
ADOPT 2017-18 BUDGET,
APPROPRIATE 2017-18 BUDGET, AND
IMPOSE 2017-18 TAXES AND CATEGORIZE THE LEVY

SITUATION

The 2017-18 Proposed Budget was presented and approved at the May 4, 2017, Budget Committee meeting. The legal notices have been published, and the Budget Hearing is to be held on June 13, 2017.

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

RECOMMENDATION

The Superintendent recommends that the Board of Directors adopt the Resolutions to Adopt the 2017-18 Budget, Appropriate the 2017-18 Budget, and Impose 2017-18 Taxes and Categorize the Levy, as shown.

**RESOLUTION TO ADOPT 2017-18 BUDGET,
APPROPRIATE 2017-18 BUDGET, AND
IMPOSE 2017-18 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 2017-18 in the total of \$301,738,600 now on file at the District Administration Center, Hillsboro, Oregon.

RESOLUTION TO MAKE BUDGET APPROPRIATIONS FOR 2017-18

BE IT RESOLVED that the amounts for the fiscal year beginning July 1, 2017, for the purposes shown below, are hereby appropriated:

General Fund

1000	Instruction	122,920,108
2000	Support Services	84,749,021
3000	Enterprise Services	574,703
5100	Debt Service	<u>528,500</u>
	Total Fund Appropriation	208,772,332

Special Revenue Fund

1000	Instruction	12,369,879
2000	Support Services	7,171,583
3000	Enterprise Services	5,182,257
4000	Facilities/Construct	250,000
5100	Debt Service	<u>1,876,941</u>
	Total Fund Appropriation	26,850,660

Debt Service Fund

5000	Debt Service	<u>44,456,974</u>
	Total Fund Appropriation	44,456,974

Capital Projects Fund

4000	Facilities/Construct	1,000,200
5000	Transfers	0
6000	Contingency	<u>0</u>
		1,000,200

PERS Reserve Fund

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

Total Appropriations	282,080,166
Total Unappropriated	19,658,434
Total Adopted Budget	301,738,600

**RESOLUTION TO IMPOSE AND CATEGORIZE
AD VALOREM TAXES FOR 2017-18**

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 \$33,583,646 for bonds; that these taxes are hereby imposed and categorized for tax year 2017-18 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	\$33,583,646

The above resolution statements were approved and declared adopted on this 13th day of June, 2017.

Wayne Clift, Board Chair

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Approved Budget

For Fiscal Year 2017-18



Hillsboro School District 1J

Administration Center

3083 NE 49th Place

Hillsboro, OR 97124



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May 4, 2017

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 2017-18 budget.

Last fall, the District decided to join the second cohort of school districts nationwide in the Alliance for Excellence in School Budgeting, otherwise known as the “Smarter School Spending (S3)” process. Convened by the Government Finance Officers Association (GFOA), the S3 process is designed to cause school districts to deeply examine all areas of spending and resource allocation in terms not only of their necessity and appropriateness, but also of their impact on student achievement. Since then, a cross-departmental team of district-level administrators has been meeting every two weeks to delve into various spending categories and discuss opportunities for improvement. Thus far, the team has identified several areas where efficiencies can be implemented.

The S3 process represents a long-term commitment to continually revisit and review how the District is investing in the people, products, and processes that will enhance student experiences and outcomes.

As we are meeting here today, the State’s budget for 2017-2019 is still being negotiated, but what we know at this time includes the following information:

- The Hillsboro School District anticipates needing a statewide K-12 budget allocation of \$8.51 billion to cover current service level expenses in 2017-2019, including the Public Employees Retirement System (PERS) employer rate increase of approximately 6 percent.
- On December 1, 2016, when Governor Brown’s proposed budget was released, Oregon was poised to enter the 2017-2019 biennium \$1.8 billion short of projected expenses.
 - Despite that significant shortfall, the Governor prepared her budget assuming \$900 million in new revenue that had not yet been identified.
 - The Governor’s proposed K-12 allocation was \$8.015 billion, with a separate allocation of \$141 million for the partial implementation of Measure 98 - a ballot measure that was overwhelmingly supported by voters in November 2016 to provide high school students with additional career-technical education (CTE) opportunities and to support attendance, dropout prevention, and graduation attainment. Measure 98 was anticipated to cost \$294 million statewide.

- At the Governor's proposed allocation, the Hillsboro School District would experience a shortfall of approximately \$9.5 million in 2017-18.
- The Co-Chairs of the Joint Ways and Means Committee released their proposed budget on Thursday, January 19, 2017.
 - There was a balanced budget, which means reductions were spread across all major line items in an attempt to account for the \$1.8 billion shortfall. In this budget, the Co-Chairs identified \$7.8 billion for K-12 education, which was approximately \$200 million less than what Governor Brown proposed in her budget, and approximately \$700 million below the level that would have allowed Hillsboro School District to maintain its current service level. The Co-Chairs also identified \$300 million for the implementation of Measure 98.
 - At the Co-Chairs' proposed allocation, the Hillsboro School District would experience a shortfall of approximately \$12.3 million in 2017-18.
- The State's deficit shrank to \$1.6 billion when the March revenue forecast was released in mid-February; however, that was still \$800 million per year short of what would be needed to implement the Governor's proposed budget.

When faced with significant potential shortfalls in the past, the Hillsboro School District has taken the approach of identifying reduction plans at varying levels. While the District has been advocating for an allocation of \$8.4 billion - the level estimated to meet the statewide current service level roll-up - that number was not in line with any of the conversations that were taking place in Salem. Therefore, the District has chosen to prepare a primary budget package assuming an allocation of \$8.15 billion to K-12, which is in line with decisions being made by other large districts like Portland, Beaverton and Salem-Keizer.

An allocation at the \$8.15 billion level would result in cuts of approximately \$7.5 million for the Hillsboro School District in the 2017-18 school year. Those reductions would be managed by utilizing both reserves and one-time sources of funds, better aligning the staffing ratio with actual enrollment, reducing staffing and programming at the district office level, and implementing efficiencies identified through the S3 process.

Knowing that the actual allocation could come in lower than \$8.15 billion, the District has also prepared scenarios for allocations of \$7.8 billion and \$7.9 billion. Both of those options would result in increases to the staffing ratio (class size).

Additional information regarding the proposed reductions includes the following details.

Allocation of \$8.15 billion, anticipated reduction of \$7.5 million

- Utilize \$1 million in funds received from the State through the annual State School Fund reconciliation and adjustment process
- Utilize \$1 million of the District's PERS Reserve Fund (resulting in a \$1 million balance)
- Utilize \$1,092,940 from the District's Ending Fund Balance (taking those reserves from 5 percent to 4.5 percent in the 2017-18 school year)
- Utilize \$1 million in Construction Excise Tax funds
- Align staffing to match actual enrollment for an estimated savings of \$1 million and an approximate loss of 10-11 FTE licensed positions
- Implement staffing reductions* at the District level for an estimated savings of \$1.183 million (*please note that, in some cases, the positions are simply being funded differently, not eliminated):
 - 3.5 FTE administrator and supervisor-technical
 - 7.05 FTE licensed
 - 1.0 FTE (net) classified
- Implement S3 efficiencies for an estimated savings of \$700,000:
 - Eliminate Technology Innovation grant program - \$250,000
 - Bring evening and weekend security services in-house - \$150,000
 - Reduce substitute costs by 5% - \$300,000
- Implement programming reductions in Student Services for an estimated savings of \$455,000

Total planned reductions of \$7,430,940

Allocation of \$7.9 billion, anticipated reduction of \$10.4 million

- All reductions identified at the \$8.15 billion level
- Increase the staffing ratio (class size) by 1.4 for an estimated savings of \$2.9 million and an approximate loss of 30 FTE licensed positions
 - Increase the kindergarten staffing ratio from 26:1 to 27.4:1
 - Increase the staffing ratio for Grades 1 and 2 from 28:1 to 29.4: 1
 - Increase the staffing ratio for Grades 3 through 12 from 29:1 to 30.4:1

Total planned reductions of \$10,330,940

Allocation of \$7.8 billion, anticipated reduction of \$12.3 million

- All reductions identified at the \$8.15 billion level
- Increase the staffing ratio (class size) by 2 for an estimated savings of \$4.8 million and an approximate loss of 47 FTE licensed positions
 - Increase the kindergarten staffing ratio from 26:1 to 28:1
 - Increase the staffing ratio for Grades 1 and 2 from 28:1 to 30:1
 - Increase the staffing ratio for Grades 3 through 12 from 29:1 to 31:1

Total planned reductions of \$12,230,940

Of course, we are hopeful that the SSF allocation will come in much higher than the currently proposed \$7.8 billion. Absorbing \$12.3 million in reductions would be particularly difficult for the District, as we have not yet recovered from the more than \$60 million in reductions we made between 2009 and 2013.

Oregon legislators are currently working on a revenue reform and cost containment proposal that would aim to stabilize and grow the State's budget; however, it is unclear whether or not such a proposal will be completed in time for a vote this legislative session, and whether or not it would need to be referred to voters in an upcoming election.

For now, we are moving forward with plans to budget at the \$8.15 billion level, and we are encouraging our patrons to contact their elected officials and indicate their support for three things:

- Increased K-12 funding in the 2017-2019 biennium;
- A revenue reform and cost containment package;
- Funding for Measure 98: CTE programs, dropout prevention, attendance support, and graduation attainment.

Hillsboro School District is committed to providing a high-quality, relevant, and equitable education to all students, and will continue to strive toward our strategic objective of ensuring that all students graduate on time with career- and college-readiness skills. We welcome and appreciate your partnership in this effort, and look forward to the coming school year.

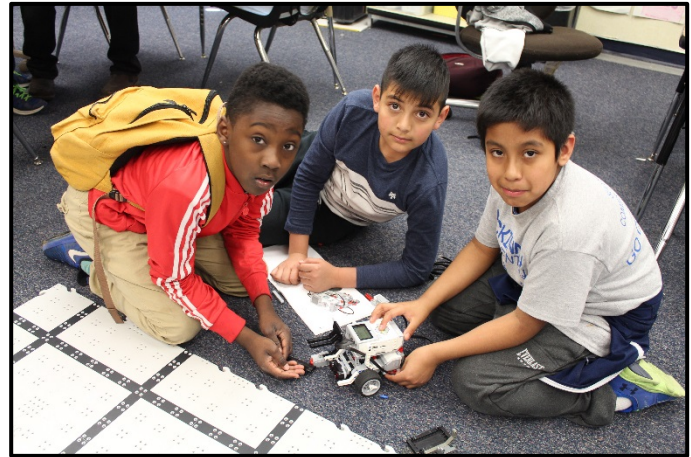
Respectfully submitted,



Mike Scott
Superintendent

Hillsboro School District, a unified school district, is the fourth largest of 197 districts in Oregon. The District is projecting to serve approximately 20,278 students during the 2017-18 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 2017-18 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 slow and steady economic recovery, the District is planning carefully for growth, while experiencing a plateau in student enrollment.

During this budget development period, state funding for K-12 education was appropriated at \$7.8 billion for the 2017-2019 biennium. This funding level is appropriated in a traditional 49/51 split over the two years.

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

- The most recent estimates for the State School Fund are based on the Co-Chair's budget of \$7.8 Billion for the State General Fund with 39 percent dedicated to K-12.
- The Public Employee Retirement System (PERS) rate, based on the 2015 valuation, is estimated to increase for the 2017-2019 biennium. These rates, coupled with Debt Service for the 2005 and 2015 Pension Bonds, will result in PERS rates of 25.2 percent for Tier One and Tier Two employees, and 19.87 percent for Oregon Public Service Retirement Plan (OPSRP) employees. The District will use \$1.0 million from the \$2.0 million PERS reserve, leaving a balance of \$1.0 million.
- The Proposed 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.
- New residential construction within the District, and school boundary adjustments.
- Meeting legislative requirements for increasing time and rigor for students in Physical Education, assessment and program changes for Special Education, and the Oregon High School Graduation and College and Career Readiness Act (Measure 98).

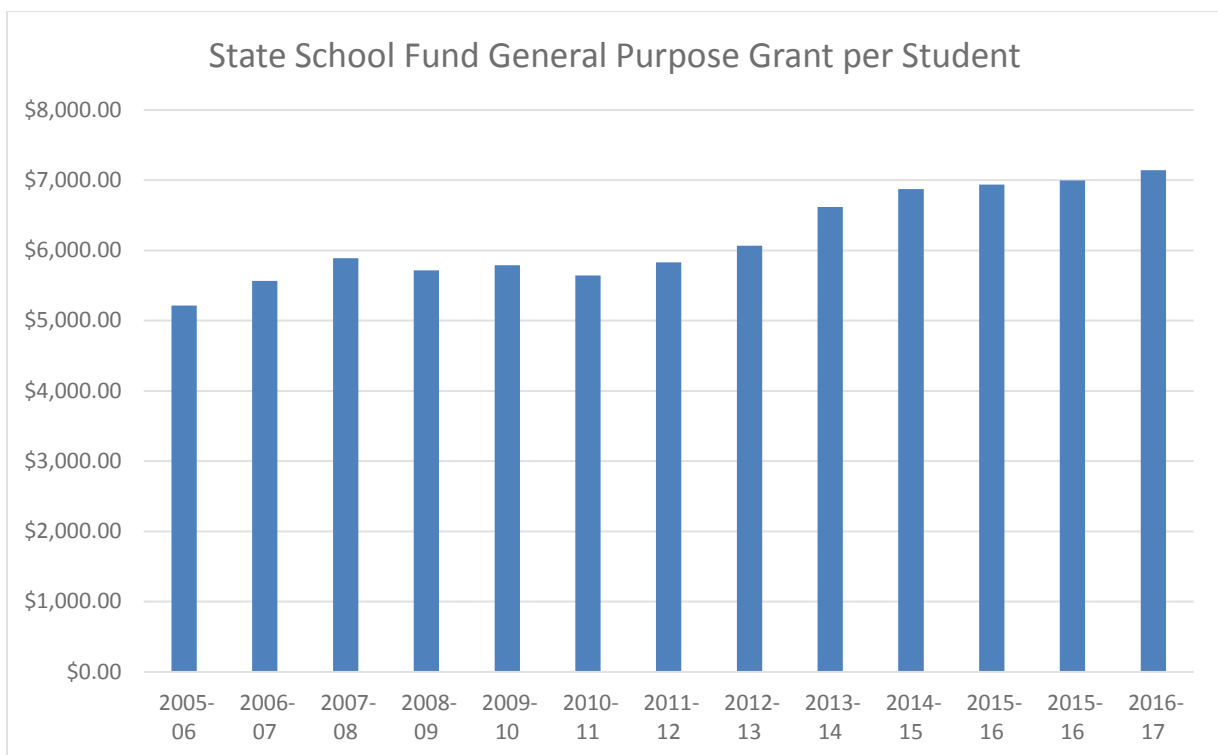
STATE FUNDING OF K-12 EDUCATION

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

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.

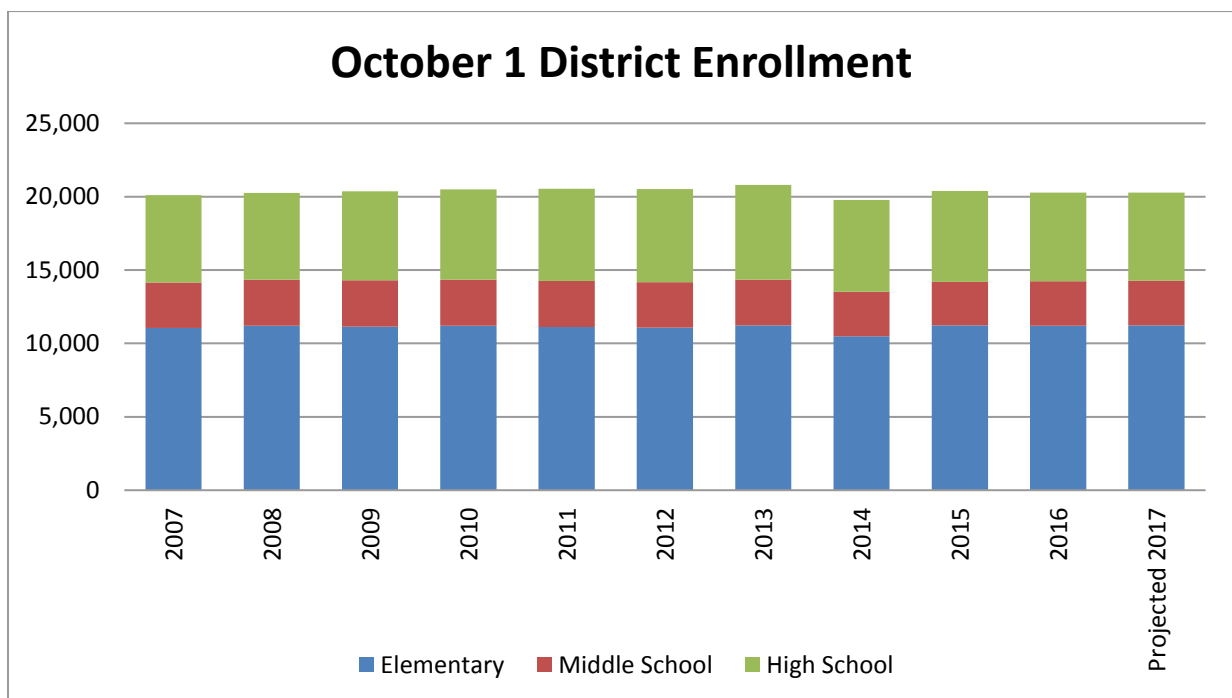


ENROLLMENT GROWTH

Since 2007, student enrollment in the Hillsboro School District has increased by 183 students, with a projected student population of 20,278 for October 1, 2017, compared to 20,095 students in the 2006-07 school year. To handle the population growth, the District has opened eight new elementary schools, one new middle school, and two new high schools, and shifted ninth grade from middle school to high school. In addition, major renovations have been made at three middle schools and one high school. During this time, the District has also decommissioned two elementary schools and one middle school. For the 2017-18 school year, the District will operate twenty-five elementary schools, serving Grades K-6; one elementary school, serving grades K-8; four middle schools, serving Grades 7-8; and four high schools, serving Grades 9-12. Hillsboro School District also serves students in one alternative high school, one alternative middle school, one online academy, and one charter school.

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	Annual Fiscal Year 2014-15	Annual Fiscal Year 2015-16	October 1 Fiscal Year 2016-17	Projected Fiscal Year 2017-18	Percentage of Change 2014 to 10/2017
Elementary School	10,486	11,219	11,217	11,224	+ 7.05%
Middle School	3,037	2,970	3,018	3,063	+ 0.86%
High School	6,246	6,208	6,051	5,990	- 4.10%
TOTAL	19,769	20,397	20,286	20,278	+ 2.57%



2017-18 BUDGET AT A GLANCE

- The 2017-18 school year is the first year of the 2017-2019 biennium.
- The General Fund operating revenue is anticipated to increase by \$7.92 million, or 3.76 percent.
- Employee insurance cap increases are included in this budget for all employee groups. The 2017-18 District contribution for all eligible staff is budgeted at \$1,150 per month for full-time licensed staff, \$1,175 for full-time classified staff, and is prorated by FTE, per negotiated agreement.
- Hillsboro School District's combined PERS rate, including the debt service payment for the UAL bonds, is 25.2 percent of payroll for Tier One and Tier Two employees, and 19.87 percent of payroll for Tier Three employees.

2017-18 Budget – All Funds (In Thousands)

Fund	FY 2016-17	FY 2017-18	Change
General (Operational)	\$210,690,678	\$218,613,056	+ 3.76%
Special Revenue	\$38,944,957	\$35,568,370	- 8.67%
Debt Service	\$42,144,397	\$44,556,974	+ 5.72%
Construction	\$1,500,200	\$1,000,200	- 33.33%
Internal Services	\$2,000,000	\$2,000,000	0.00%
Total All Funds	\$295,280,232	\$301,738,600	+ 2.19%

SUMMARY

The 2017-18 Budget for Hillsboro School District is based on the following objectives:

- The top priority is the effective use of resources to improve student achievement.
- To the extent possible, the budget must ensure financial stability through the end of the 2017-2019 biennium and look forward to the next several biennia. The long-range forecast for the State of Oregon shows a slow recovery.
- Resources are in alignment with the 2016-2021 District Strategic Plan.
- The District will continue to target efficiencies within general operations and support services, with quality instruction as a high priority.
- The District will reduce the ending General Fund balance from 5 percent to 4 percent over the biennium.
- The District will utilize Special Revenue Funds such as the Construction Excise Tax and SB1149 for eligible expenses to reduce the impact of budget reductions to instruction.
- The School Board is scheduled to approve a Capital Project Bond for the November election on May 23, 2017, however, revenue and expenditures are not included in the budget document.
- Federal program revenues are based on estimates provided by the Department of Education.

LOOKING AHEAD

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

Revenues

- State School Fund revenue will reach \$8.15 billion for the 2017-19 biennia with a 49 percent/51 percent split for K12 Districts.
- Measure 98 funds for College and Career Readiness and Drop-out Prevention is a Special Revenue Fund.
- Growth in the State School Fund will mirror projected growth in State Revenues - based on the most recent (March 2017) 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 PERS Reserve will be transfer \$1.0 million to the General Fund each year of the 2017-2019 biennium, exhausting the reserve fund.
- Enrollment is based on historical trend analysis plus projected impact of new construction.

Expenditures

- A full school year, with no reductions to the targeted investment areas of the Arts, Athletics, Activities, TAG, STEM/STEAM, or serving students in poverty.
- 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 biennial increases of 2.0 percent of payroll increase in the outlying biennia.
- Maintain existing staffing levels for classified, administrative, and supervisory/technical employee groups. Licensed staffing will be adjusted according to student enrollment. Class size targets are graduated by grade level: Kindergarten, 26:1; Grades 1-2, 28:1; and Grades 3-12, 29:1. Additional reductions may include additional Licensed staff and class size.
- No increase in department budgets for 2017-18. There is a five percent annual increase in utility, equipment, and property/liability costs, and a two percent annual increase in supply costs for 2018-19 and beyond.
- The General Fund End balance will be lowered 0.5 percent to 4.5 percent in 2017-18, and 0.5 percent to 4.0 percent in 2017-18.



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*

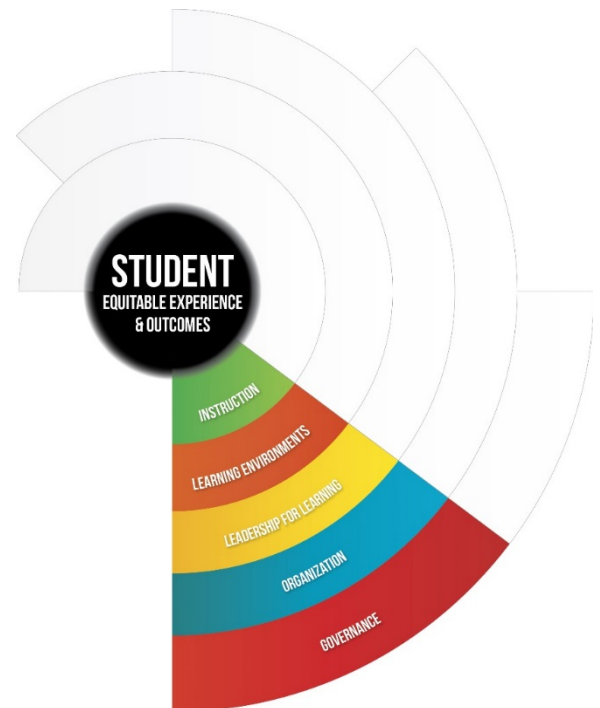
Highly qualified staff deliver relevant, rigorous, and engaging curriculum; and students have access to a variety of meaningful co- and extracurricular activities.

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:



<u>Position 1</u>	<u>Position 2</u>	<u>Position 3</u>	<u>Position 4</u>
Janeen Sollman	Glenn Miller	Monte Akers	Kim Strelchun
July 2009 - June 2017	July 2013 - June 2017	July 2011 - June 2017	July 2011 - June 2019
<u>Position 5</u>	<u>Position 6</u>	<u>Position 7</u>	
Lisa Allen	Erik Seligman	Wayne Clift	
July 2015 - June 2019	July 2013 - June 2017	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.

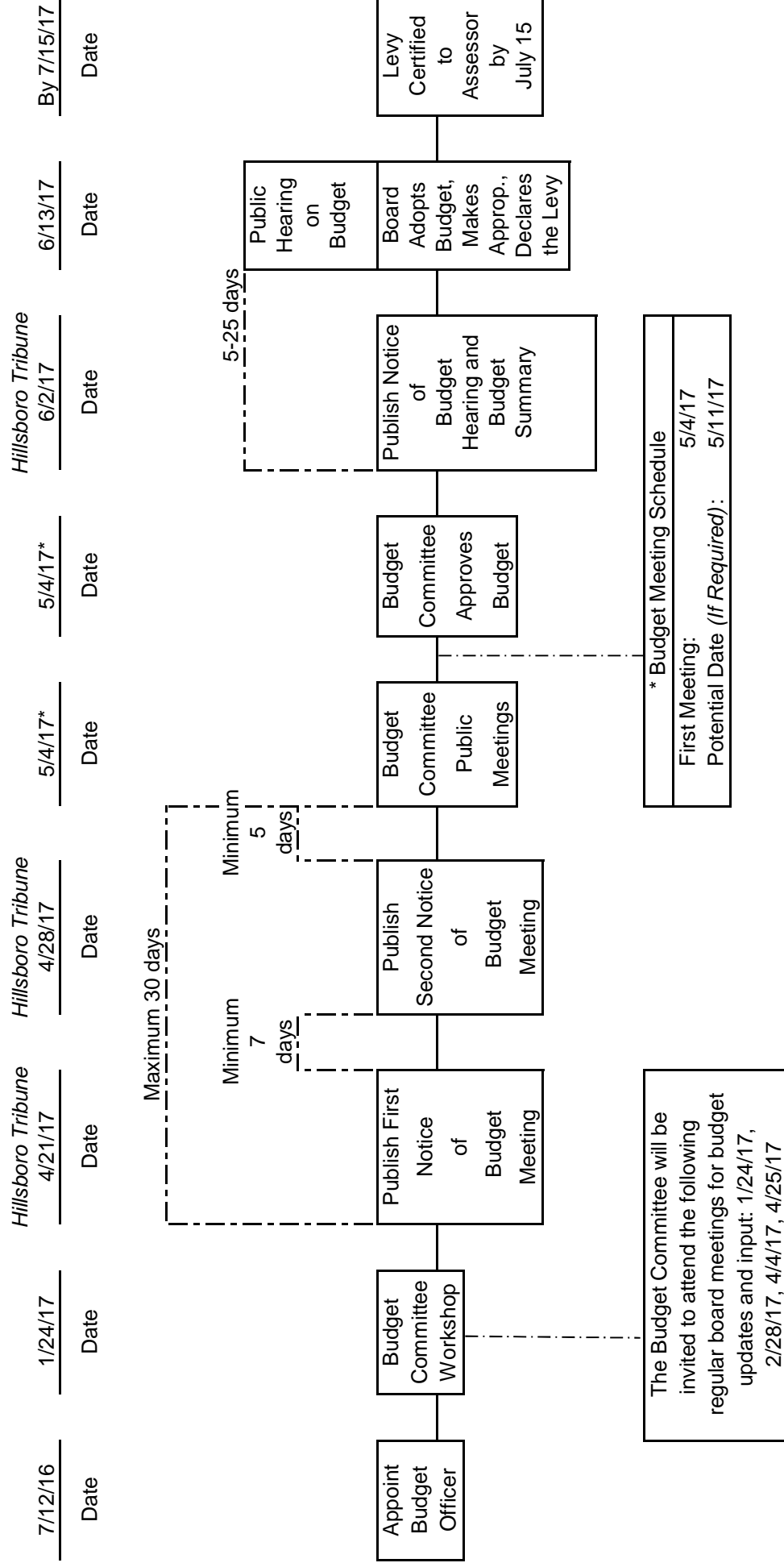
This year, the District invited its Budget Committee members to participate in several Board work sessions to learn and ask questions about the budget and become more directly involved in the budgeting process.

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
Teresa Mahoney	Community, Position 1	2017
Jaime Rodriguez	Community, Position 2	2017
Nina Carlson	Community, Position 3	2018
Martin Granum	Community, Position 4	2018
Heather Monaghan	Community, Position 5	2020
Erika Lopez	Community, Position 6	2020
Matt Long	Community, Position 7	2020

HILLSBORO SCHOOL DISTRICT 1J

PROPOSED PLANNING CALENDAR - 2017-18 BUDGET



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.

2014-15 Actual	2015-16 Actual	2016-17 Adopted	2017-18 Approved
\$59,959,178	\$66,244,884	\$67,214,134	\$70,204,827

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.

2014-15 Actual	2015-16 Actual	2016-17 Adopted	2017-18 Approved
\$256,003	\$357,854	\$305,801	\$404,324

Other Local Revenue

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

2014-15 Actual	2015-16 Actual	2016-17 Adopted	2017-18 Approved
\$1,684,735	\$1,498,065	\$1,913,920	\$1,807,988

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.

2014-15 Actual	2015-16 Actual	2016-17 Adopted	2017-18 Approved
\$574,454	\$478,998	\$250,000	\$450,000

ESD Pass-Through Dollars

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

2014-15 Actual	2015-16 Actual	2016-17 Adopted	2017-18 Approved
\$2,615,946	\$2,915,000	\$3,003,669	\$3,104,545

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.

2014-15 Actual	2015-16 Actual	2016-17 Adopted	2017-18 Approved
\$1,946,988	\$0	\$0	\$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.

2014-15 Actual	2015-16 Actual	2016-17 Adopted	2017-18 Approved
\$121,330,286	\$120,567,483	\$124,345,402	\$130,042,910

Other Sources

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

2014-15 Actual	2015-16 Actual	2016-17 Adopted	2017-18 Approved
\$7,862	\$14,399	\$0	\$1,000,000

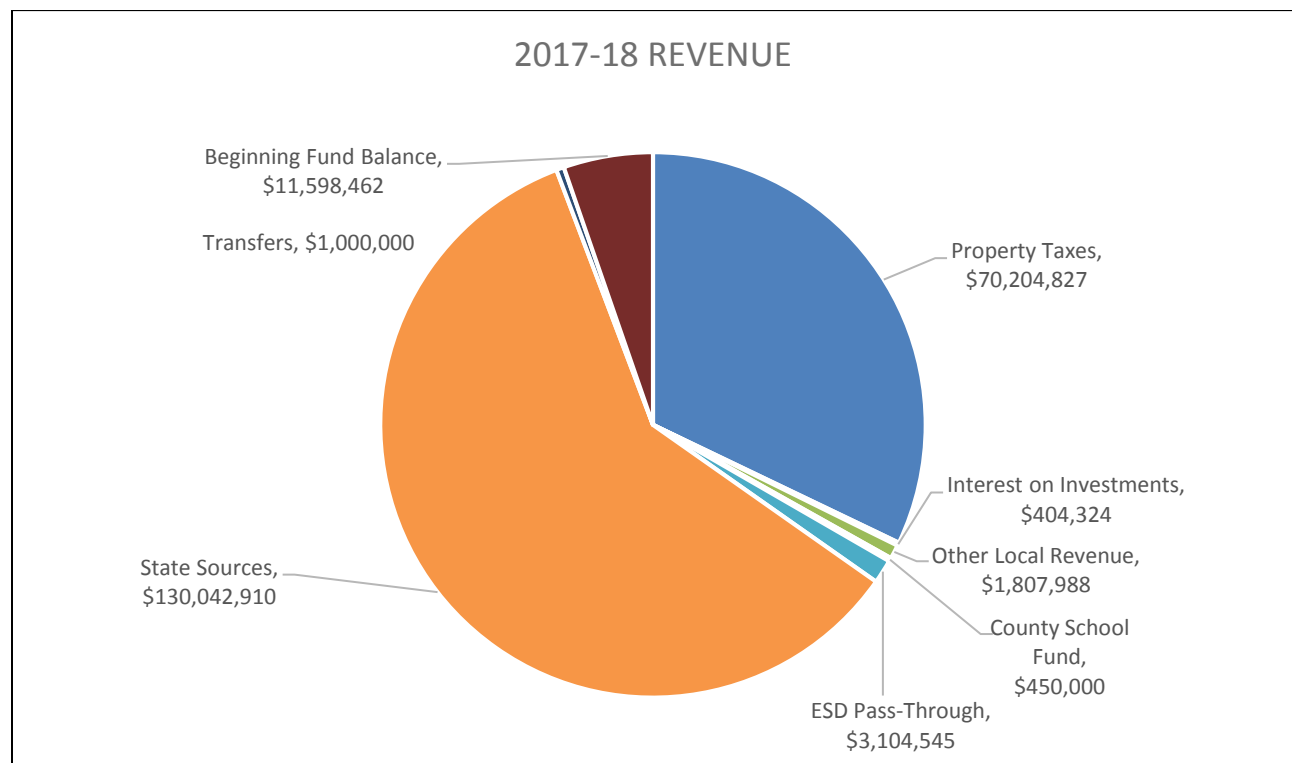
Beginning Fund Balance

The Beginning Fund balance is rolled over from the Ending Fund balance of the prior year, and is used to provide revenue until tax revenues are received in November. The 2017-18 Beginning Fund balance of \$11,598,462 is 5.3 percent of the total revenues.

2014-15 Actual	2015-16 Actual	2016-17 Adopted	2017-18 Approved
\$14,456,892	\$17,604,269	\$13,657,752	\$11,598,462

Total Revenue

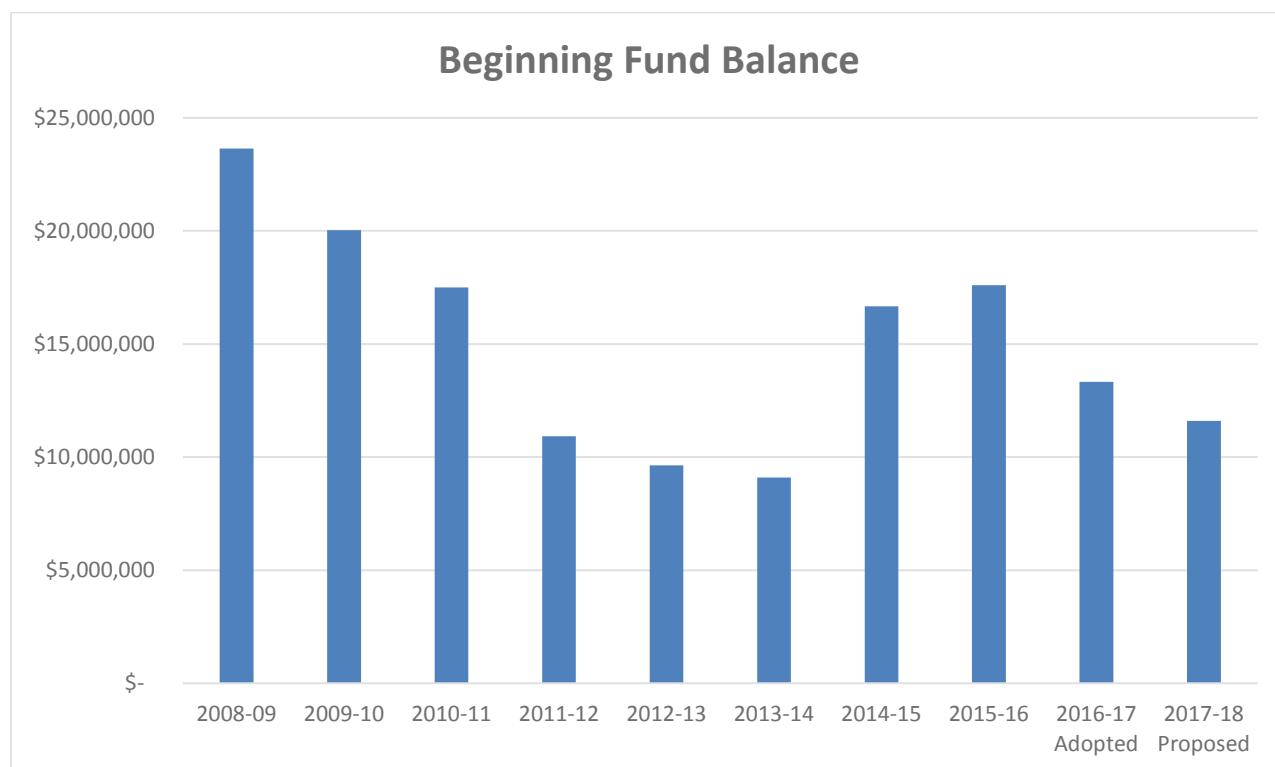
2014-15 Actual	2015-16 Actual	2016-17 Adopted	2017-18 Approved
\$202,829,885	\$209,676,249	\$210,690,678	\$218,613,056



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.

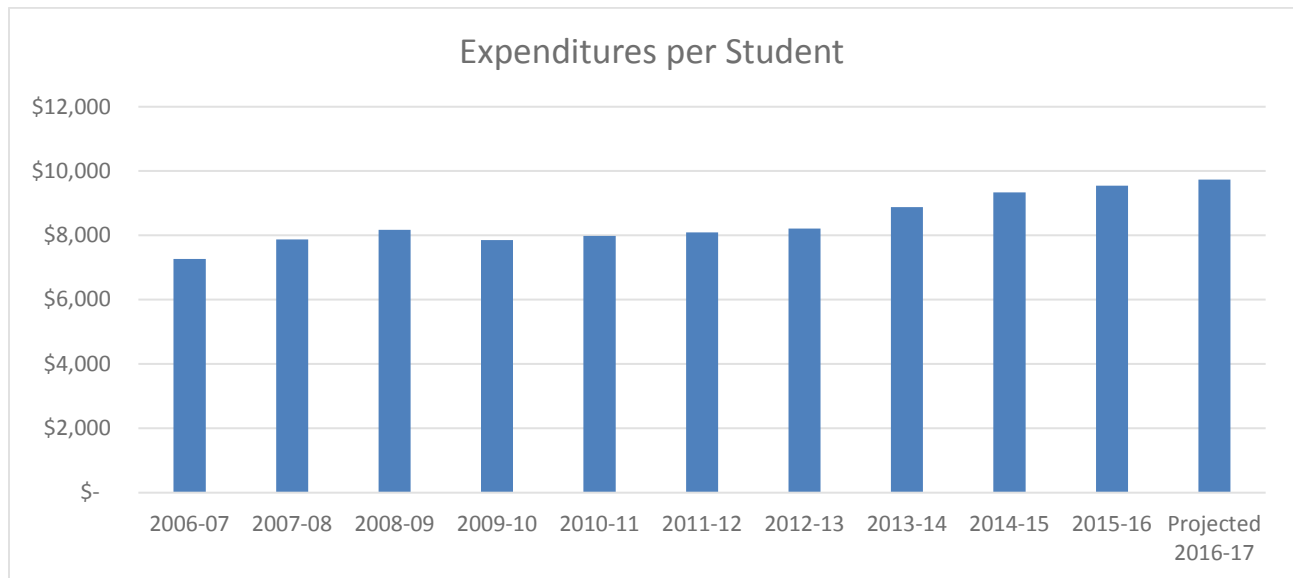
The District maintains a Beginning Fund Balance target of 5 percent. The 2017-18 budget includes \$11,598,462 as the Beginning Fund balance, which is a \$2,059,290 decrease from the 2016-17 adopted budget balance.



ACCOUNT	DESCRIPTION	2014-15 ACTUAL	2015-16 ACTUAL	2016-17 ADOPTED	2017-18 APPROVED
100.0000.1111	CURRENT YEAR PROPERTY TAX	\$59,025,457	\$65,546,188	\$66,469,087	\$69,449,368
100.0000.1112	PRIOR YEAR PROPERTY TAX	\$926,674	\$681,862	\$737,298	\$742,587
100.0000.1113	COUNTY TAX SALES/BACK TAX	\$7,047	\$0	\$7,749	\$12,872
100.0000.1114	PAYMENTS IN LIEU OF PR TX	\$0	\$12,133	\$16,540	\$16,918
100.0000.1190	PENALTIES & INTEREST ON TAX	\$11,743	\$15,946	\$44,582	\$45,920
100.0000.1312	NON-RESIDENT TUITION	\$0	\$43,284	\$0	\$0
100.0000.1411	TRANSP FEES FROM INDIVID	\$84,953	\$95,741	\$86,229	\$101,572
100.0000.1512	INTEREST ON LGIP	\$256,003	\$357,854	\$305,801	\$404,324
100.0000.1513	INTEREST ON BANK ACCOUNTS	\$530	\$272	\$2,151	\$311
100.0000.1710	GATE RECEIPTS	\$84,529	\$68,039	\$78,781	\$72,183
100.0000.1742	STUDENT TOWEL FEES	\$2,117	\$1,439	\$3,987	\$0
100.0000.1744	STUDENT PARTICIPATION FEES	\$289,416	\$360,624	\$336,629	\$382,441
100.0000.1910	RENTAL/BLDG USAGE	\$227,294	\$232,342	\$257,748	\$273,173
100.0000.1920	CONTRIBUTIONS/DONATIONS	\$10,765	\$25,150	\$0	\$0
100.0000.1960	RECOVERY PRIOR YEAR EXP	\$199,474	\$31,606	\$165,732	\$33,531
100.0000.1975	REBATE	\$0	26,652	\$20,052	\$28,275
100.0000.1980	FEES CHARGED TO GRANTS	\$683,536	\$455,753	\$735,191	\$747,780
100.0000.1990	MISCELLANEOUS REVENUE	\$46,003	\$26,622	\$77,326	\$28,243
100.0000.1993	REIMBURSE/EXPENSE	\$7,803	\$7,799	\$657	\$8,274
100.0000.1995	PRINTING REVENUE	\$36,571	\$41,820	\$23,538	\$44,367
100.0000.1998	REIMBRSM -MODIFIED WORKER	\$0	\$64,974	\$64,777	\$25,000
TOTAL LOCAL REVENUE		\$61,899,916	\$68,096,100	\$69,433,854	\$72,417,139
100.0000.2101	COUNTY SCHOOL FUND	\$574,454	\$478,998	\$250,000	\$450,000
100.0000.2103	ESD PASS THROUGH	\$2,615,946	\$2,915,000	\$3,003,669	\$3,104,545
100.0000.2180	SIP IMPACT UNRESTRICTED	\$1,946,988	\$0	\$0	\$0
TOTAL INTERMEDIATE SOURCES		\$5,137,388	\$3,393,998	\$3,253,669	\$3,554,545
100.0000.3101	STATE SCH FUND-GEN SUPPORT	\$110,851,718	\$107,405,128	\$111,224,938	\$116,403,621
100.0000.3103	COMMON SCHOOL FUND	\$7,257,454	\$2,453,497	\$2,029,214	\$2,489,289
100.0000.3104	STATE TIMBER REVENUE	\$2,082,225	\$602,458	\$250,000	\$650,000
100.0000.3105	SSF TRANSPORTATION	\$1,138,889	\$10,106,400	\$10,841,250	\$10,500,000
TOTAL STATE SOURCES		\$121,330,286	\$120,567,483	\$124,345,402	\$130,042,910
100.0000.5200		\$0	\$0	\$0	\$1,000,000
TOTAL TRANSFERS		\$0	\$0	\$0	\$1,000,000
100.0000.5300		\$5,405	\$14,399	\$0	\$0
TOTAL COMPENSATION/LOSS ASSETS		\$5,405	\$14,399	\$0	\$0
TOTAL BEGINNING FUND BALANCE		\$14,456,892	\$17,604,269	\$13,657,752	\$11,598,462
TOTAL REVENUE		\$202,829,885	\$209,676,249	\$210,690,678	\$218,613,056

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 ODE¹.



At the end of the 2015-16 fiscal year, the average operational cost of educating a student in the Hillsboro School District was \$9,541. This figure is determined by dividing total General Fund expenditures for 2015-16, \$194,617,795, by our total Average Daily Membership (ADM) of 20,397 ($\$194,617,795 / 20,397 = \$9,541$). The breakdown of the \$9,541 is as follows:

Instruction (\$4,447 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 (\$1,415 per student). Staffing, materials, and supplies for students with disabilities in less restrictive programs, and students with disabilities in restrictive programs.

Student Services (\$506 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 (\$382 per student). Expenditures related to the Board of Directors, Superintendent, Business Office, Print Shop, and Human Resources.

School Administration (\$794 per student). Principals, assistant principals, teachers on special assignment (TOSAs), supplies, materials, purchased administrative services, and support at each campus.

Facilities (\$933 per student). Personnel and supplies for custodial and maintenance services, plus major maintenance projects districtwide.

Transportation (\$675 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 (\$286 per student). Staffing and new technology for classroom instruction.

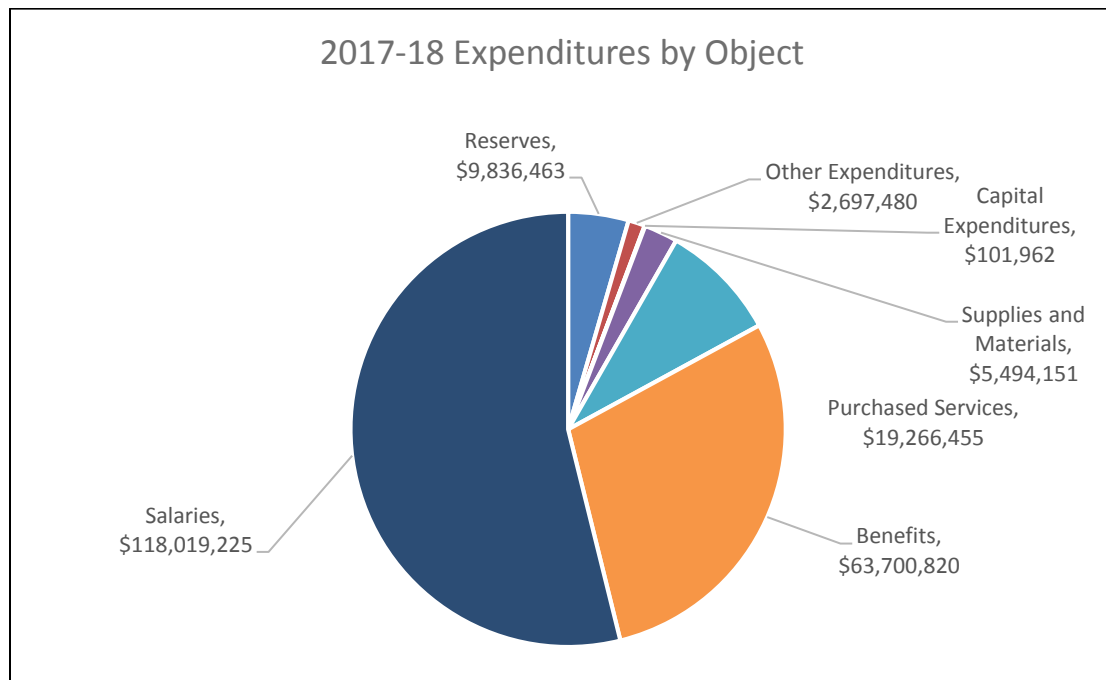
Community Service (\$63 per student). Personnel and supplies used to perform a variety of community services, primarily the Office of Hispanic Outreach.

Debt Service (\$41 per student). Principal and interest payments for the administration building.



General Fund Budget by Object Summary

Object	Description	2015-16 Actual	2016-17 Adopted	2017-18 Approved	Increase/Decrease from Prior Year
Salaries	All salaries including negotiated increases.	\$110,746,526	\$117,419,494	\$118,019,225	0.51%
Benefits	Includes associated payroll costs, PERS, health insurance caps, tuition reimbursement	\$54,059,280	\$56,315,668	\$63,700,820	13.11%
Purchased Services	Utilities, printing, charter school payments, contracted services	\$18,877,602	\$16,622,151	\$19,266,455	15.91%
Supplies and Materials	Supplies, textbooks, computer hardware and software, gasoline	\$7,764,326	\$8,082,372	\$5,494,151	-32.02%
Capital Expenditures	New and replacement equipment	\$834,799	\$250,053	\$101,962	-59.22%
Other Expenditures	Dues and fees, property insurance	\$1,506,597	\$1,570,294	\$1,661,218	4.47%
	Debt service on administration building	\$828,665	\$826,119	\$528,500	-36.03%
Transfers	Transfer to PERS Reserve Fund	\$500,000	\$0	\$0	0.00%
Reserves	Planned reserves for next year	\$14,558,453	\$9,604,527	\$9,840,724	2.41%
Total		\$209,676,249	\$210,690,678	\$218,613,056	3.75%



General Fund by Object

ACCOUNT	DESCRIPTION	2014-15 ACTUAL	2015-16 ACTUAL	2016-17 ADOPTED	2017-18 APPROVED	2017-18 FTE
100.0000.0111	REG LICENSED SALARIES	\$59,022,425	\$65,988,453	\$68,829,320	\$71,381,604	1,049.7
100.0000.0112	REG CLASSIFIED SALARIES	\$25,133,007	\$26,915,135	\$29,114,847	\$31,337,956	730.8
100.0000.0113	REG ADMIN SALARIES	\$6,830,930	\$7,375,071	\$7,599,227	\$7,791,100	65.1
100.0000.0114	REG SUPERVISORY SALARIES	\$1,631,403	\$1,739,279	\$1,951,337	\$2,035,660	27.5
100.0000.0116	EARLY RETIREMENT STIPEND	\$46,600	\$30,000	\$0	\$0	0.0
100.0000.0121	SUBSTITUTES-LICENSED	\$2,380,140	\$1,321,072	\$3,831,000	\$100,000	0.0
100.0000.0122	SUBSTITUTES-CLASSIFIED	\$1,985,611	\$614,291	\$1,103,000	\$75,000	0.0
100.0000.0123	CERTIFIED TEMPORARY WAGE	\$23,029	\$186,901	\$30,000	\$198,284	0.0
100.0000.0124	TEMPORARY-CLASSIFIED	\$909,459	\$2,012,161	\$250,000	\$257,500	0.0
100.0000.0126	SUBSTITUTES-ADMIN	\$10,096	\$43,872	\$37,070	\$46,544	0.0
100.0000.0130	ADDITIONAL SALARIES	\$66,837	\$44,059	\$58,200	\$46,742	0.0
100.0000.0131	EXTENDED CONTRACT	\$1,020,940	\$1,307,561	\$1,120,765	\$1,387,192	0.0
100.0000.0132	DEPT COORDINATOR STIPEND	\$597,761	\$665,752	\$677,581	\$706,296	0.0
100.0000.0133	ATHLETIC COACHING PAY	\$591,398	\$646,780	\$717,063	\$686,169	0.0
100.0000.0134	ADVISOR PAY	\$165,591	\$185,524	\$230,742	\$196,822	0.0
100.0000.0135	STUDENT SUPERVISION PAY	\$79,365	\$77,320	\$82,504	\$82,029	0.0
100.0000.0136	ATHLETIC/ACTIVITY PAY	\$149,324	\$123,444	\$175,000	\$130,962	0.0
100.0000.0138	EXTRA DUTY STIPEND	\$0	\$0	\$0	\$0	0.0
100.0000.0139	OVERTIME SALARIES	\$1,190,549	\$866,327	\$934,545	\$919,086	0.0
100.0000.0140	OTHER TIME	\$552,738	\$587,189	\$671,335	\$622,949	0.0
100.0000.0144	STUDENT WAGES	\$9,427	\$16,336	\$5,958	\$17,330	0.0
TOTAL SALARIES		\$102,396,630	\$110,746,526	\$117,419,494	\$118,019,225	1,873.1
100.0000.0200	EMPLOYEE BENEFITS	\$0	\$0	\$0	\$0	0.0
100.0000.0211	PERS EMPLOYER CONTRBUTN	\$7,121,793	\$5,533,951	\$6,317,340	\$9,470,937	0.0
100.0000.0212	PERS-EMPLOYEE PICKUP	\$0	\$0	\$0	\$0	0.0
100.0000.0213	PERS UAL BOND 2005	\$6,695,472	\$7,112,646	\$9,703,124	\$9,819,732	0.0
100.0000.0214	PERS UAL BOND 2015	\$0	\$2,042,160	\$0	\$0	0.0
100.0000.0216	PERS EMPLOYER-TIER III	\$5,949,416	\$3,636,555	\$3,655,649	\$7,150,810	0.0
100.0000.0218	PERS- PRIOR PERIOD REC	-\$55,136	-\$275,955	\$0	\$0	0.0
100.0000.0220	SOCIAL SECURITY ADMIN	\$7,735,494	\$8,395,393	\$8,982,591	\$9,028,471	0.0
100.0000.0231	WORKERS' COMPENSATION	\$488,228	\$661,362	\$587,097	\$590,096	0.0
100.0000.0232	UNEMPLOYMENT COMPENSTN	\$100,827	\$109,651	\$117,419	\$118,019	0.0
100.0000.0240	POST EMPLOYMENT BENEFIT	\$0	\$138	\$0	\$0	0.0
100.0000.0241	DISABILITY INSURANCE	\$423,425	\$462,847	\$450,000	\$450,000	0.0
100.0000.0242	MEDICAL INSURANCE	\$19,659,087	\$20,993,607	\$21,653,428	\$22,022,852	0.0
100.0000.0243	LIFE INSURANCE	\$116,298	\$129,931	\$90,000	\$90,000	0.0
100.0000.0244	EMPLOYEE ASSISTANCE	\$21,262	\$26,677	\$0	\$0	0.0



ACCOUNT	DESCRIPTION	2014-15 ACTUAL	2015-16 ACTUAL	2016-17 ADOPTED	2017-18 APPROVED	2017-18 FTE
100.0000.0245	TRAVEL ALLOWANCE	\$107,010	\$116,147	\$100,000	\$100,000	0.0
100.0000.0246	DENTAL INSURANCE	\$2,535,107	\$2,649,903	\$2,549,020	\$2,649,903	0.0
100.0000.0247	EMPLOYER PROVIDED TSA	\$43,575	\$43,575	\$0	\$0	0.0
100.0000.0248	VISION INSURANCE	\$534,881	\$576,278	\$400,000	\$400,000	0.0
100.0000.0249	TUITION REIMBURSEMENT	\$436,888	\$493,068	\$500,000	\$500,000	0.0
100.0000.0251	ADMIN FLEX BENEFIT	\$1,166,646	\$1,287,902	\$1,250,000	\$1,250,000	0.0
100.0000.0252	DOMESTIC PARTNER TAXABLE	\$0	-\$303	\$0	\$0	0.0
100.0000.0254	COMMUNICATIONS STIPEND	\$41,055	\$63,747	\$50,000	\$50,000	0.0
100.0000.0255	CLASSIFIED PROF IMPR	\$0	\$0	\$0	\$10,000	0.0
TOTAL BENEFITS		\$53,121,328	\$54,059,280	\$56,315,668	\$63,700,821	0.0
100.0000.0310	INSTRUCTION SERVICES	\$29,346	\$81,764	\$60,306	\$85,852	0.0
100.0000.0311	INSTRUCTION SERVICES	\$28,566	\$52,214	\$85,426	\$54,824	0.0
100.0000.0312	INSTR PROG IMPROVEMENT	\$93,108	\$52,769	\$101,097	\$55,407	0.0
100.0000.0313	STUDENT SERVICES	\$809,281	\$1,257,276	\$702,392	\$1,160,140	0.0
100.0000.0318	PROF IMPRV/NON INSTRUCT	\$20,045	\$11,446	\$21,550	\$12,019	0.0
100.0000.0319	OTHER PROF & TECH INSTRNL	\$412,214	\$441,006	\$526,099	\$463,056	0.0
100.0000.0320	PROPERTY SERVICES	\$1,027	\$807	\$548	\$847	0.0
100.0000.0321	CUSTODIAL SERVICES	\$0	\$0	\$0	\$0	0.0
100.0000.0322	REPAIR & MAINTENANCE	\$2,173,137	\$1,539,301	\$2,634,446	\$787,089	0.0
100.0000.0323	LAUNDRY & DRY CLEANING	\$384,969	\$289,904	\$355,816	\$304,400	0.0
100.0000.0324	RENTAL EXPENSE	\$197,352	\$586,817	\$597,244	\$586,817	0.0
100.0000.0325	ELECTRICITY	\$2,972,112	\$2,902,355	\$2,546,312	\$2,546,312	0.0
100.0000.0326	HEATING FUEL	\$706,258	\$640,363	\$783,135	\$783,135	0.0
100.0000.0327	WATER & SEWAGE	\$1,264,078	\$1,257,576	\$1,170,905	\$1,170,905	0.0
100.0000.0328	GARBAGE	\$317,720	\$305,389	\$350,001	\$350,001	0.0
100.0000.0329	OTHER PROPERTY SERVICES	\$257,432	\$245,338	\$287,760	\$257,605	0.0
100.0000.0330	STUDENT TRANSPORTATION	\$0	\$1,309	\$0	\$0	0.0
100.0000.0331	REIMBURSABLE STUDNT TRAN	-\$195,156	-\$165,858	-\$165,667	-\$174,151	0.0
100.0000.0332	NONREIMB STUDENT TRANS	\$122,536	\$132,748	\$125,128	\$139,386	0.0
100.0000.0340	TRAVEL	\$599,844	\$499,657	\$528,608	\$524,639	0.0
100.0000.0342	TRAVEL – IN DISTRICT	\$831	\$118	\$456	\$124	0.0
100.0000.0343	STUDENT OUT OF DIST TRANS	\$4,661	\$5,579	\$3,542	\$5,857	0.0
100.0000.0351	TELEPHONE	\$52,743	\$109,934	\$85,910	\$115,430	0.0
100.0000.0353	POSTAGE	\$159,696	\$163,803	\$144,838	\$171,993	0.0
100.0000.0354	ADVERTISING	\$6,264	\$15,957	\$21,416	\$16,755	0.0
100.0000.0355	PRINTING AND BINDING	\$186,461	\$7,139	\$172,822	\$7,496	0.0
100.0000.0360	CHARTER SCHOOL PAYMENTS	\$1,080,988	\$1,195,159	\$1,305,501	\$1,446,142	0.0
100.0000.0371	TUITION TO PUBLIC SCHOOLS	\$167,605	\$182,553	\$181,313	\$191,680	0.0
100.0000.0372	TUITION-OUTSIDE STATE	\$0	\$0	\$0	\$0	0.0
100.0000.0373	TUITION TO PRIVATE SCHOOL	\$7,943	\$39,256	\$88,216	\$41,219	0.0



ACCOUNT	DESCRIPTION	2014-15 ACTUAL	2015-16 ACTUAL	2016-17 ADOPTED	2017-18 APPROVED	2017-18 FTE
100.0000.0380	NON-INSTRUCT PROF SERV	\$256	\$218,675	\$213,211	\$229,609	0.0
100.0000.0381	AUDIT SERVICES	\$85,000	\$62,000	\$85,660	\$65,100	0.0
100.0000.0382	LEGAL SERVICES	\$138,553	\$104,554	\$121,998	\$109,782	0.0
100.0000.0383	ARCHITECT/ENGINEER SVCS	\$212,853	\$59,033	\$106,162	\$61,985	0.0
100.0000.0384	NEGOTIATION SERVICES	\$0	\$0	\$0	\$0	0.0
100.0000.0388	ELECTION SERVICES	\$28,429	\$0	\$30,000	\$0	0.0
100.0000.0390	OTHER PROF & TECH SRV	\$3,257,572	\$3,911,792	\$3,350,000	\$200,000	0.0
100.0000.0391	SUBSTITUTE – LICENSED	\$88,269	\$1,303,858	\$0	\$4,770,000	0.0
100.0000.0392	BANK SERVICE FEE	\$32,068	\$18,240	\$0	\$25,000	0.0
100.0000.0399	SUBSTITUTE – CLASSIFIED	\$266,115	\$1,347,773	\$0	\$2,700,000	0.0
TOTAL PURCHASED SERVICES		\$15,970,176	\$18,877,602	\$16,622,151	\$19,266,455	0.0
100.0000.0410	SUPPLIES AND MATERIALS	\$3,452,304	\$3,145,944	\$2,801,451	\$1,720,000	0.0
100.0000.0412	CUSTODIAL SUPPLIES	\$0	\$466,433	\$355,835	\$575,000	0.0
100.0000.0418	GASOLINE AND OIL	\$944,719	\$575,865	\$1,100,785	\$37,018	0.0
100.0000.0419	TIRES	\$47,660	\$36,292	\$49,688	\$400,000	0.0
100.0000.0420	TEXTBOOKS	\$262,315	\$64,791	\$457,075	\$31,448	0.0
100.0000.0430	LIBRARY BOOKS	\$32,685	\$30,832	\$28,351	\$31,675	0.0
100.0000.0440	PERIODICAL SUBSCRIPTIONS	\$27,011	\$31,785	\$30,273	\$0	0.0
100.0000.0460	NON-CONSUMABLE ITEMS	\$416,589	\$613,315	\$226,751	\$207,081	0.0
100.0000.0461	<\$5000 EQUIPMENT	\$628,943	\$574,198	\$461,283	\$500,000	0.0
100.0000.0470	COMPUTER SOFTWARE	\$1,064,908	\$1,498,964	\$1,204,916	\$1,251,503	0.0
100.0000.0480	COMPUTER HARDWARE	\$1,316,191	\$547,942	\$554,960	\$558,901	0.0
100.0000.0481	<\$5000 COMPUTER HARDWAR	\$815,062	\$177,966	\$811,004	\$181,525	0.0
TOTAL SUPPLIES & MATERIALS		\$9,008,387	\$7,764,326	\$8,082,372	\$5,494,151	0.0
100.0000.0520	BUILDING ACQUISITIONS	\$1,343,770	\$201,538	\$0	\$0	0.0
100.0000.0530	IMPROVEMENTS TO BUILDING	\$0	\$315,378	\$0	\$0	0.0
100.0000.0540	CAPITAL EQUIPMENT	\$983,014	\$195,652	\$241,469	\$0	0.0
100.0000.0542	REPLACEMENT EQUIPMENT	\$55,803	\$121,369	\$0	\$101,962	0.0
100.0000.0550	CAPITAL TECHNOLOGY	\$24,024	\$861	\$8,584	\$0	0.0
TOTAL CAPITAL EQUIPMENT		\$2,406,611	\$834,799	\$250,053	\$101,962	0.0
100.0000.0610	REDEMPTION OF PRINCIPAL	\$714,666	\$726,024	\$745,314	\$470,000	0.0
100.0000.0621	INTEREST	\$109,850	\$102,641	\$80,805	\$58,500	0.0
100.0000.0640	DUES & FEES	\$267,720	\$263,652	\$247,013	\$290,676	0.0
100.0000.0650	INSURANCE AND JUDGMENTS	\$86,717	\$308,400	\$0	\$0	0.0
100.0000.0651	LIABILITY INSURANCE	\$295,947	\$300	\$324,648	\$340,316	0.0
100.0000.0652	FIDELITY BOND PREMIUMS	\$100	\$787,118	\$343	\$221	0.0
100.0000.0653	PROPERTY & CASULTY INS	\$711,075	\$127,107	\$826,192	\$867,798	0.0

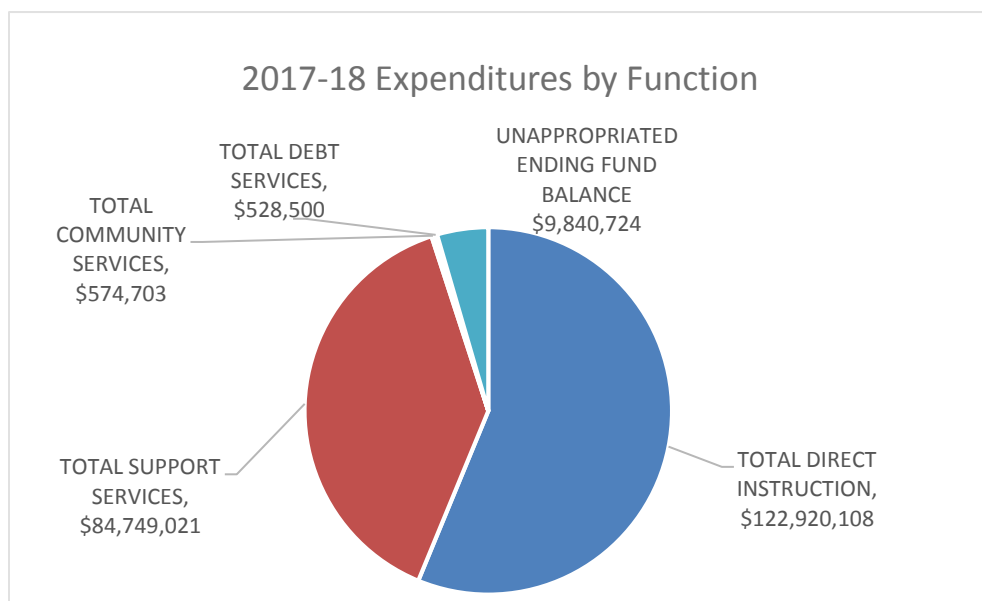
ACCOUNT	DESCRIPTION	2014-15 ACTUAL	2015-16 ACTUAL	2016-17 ADOPTED	2017-18 APPROVED	2017-18 FTE
100.0000.0655	JUDGEMENTS & SETTLEMNTS	\$104,013	\$20,020	\$143,017	\$140,135	0.0
100.0000.0670	TAXES & LICENSES	\$32,396	\$0	\$29,081	\$22,073	0.0
TOTAL DUES AND FEES		\$2,322,484	\$2,335,262	\$2,396,413	\$2,168,980	0.0
100.0000.790	TRANSFER TO PERS RESERVE	\$0	\$500,000	\$0	\$0	0.0
TOTAL TRANSFERS		\$0	\$500,000	\$0	\$0	\$0
100.0000.0810	PLANNED RESERVE	\$0	\$0	\$0	\$0	0.0
100.0000.0820	RESERVED FOR NEXT YEAR	\$17,604,269	\$14,558,453	\$9,604,527	\$9,840,724	0.0
TOTAL EXPENDITURES		\$202,829,885	\$209,676,249	\$210,690,678	\$218,613,056	1,873.1



General Fund Budget by Function Summary

Function	Description	2015-16 Actuals	2016-17 Adopted*	2017-18 Approved	Increase/Decrease from Prior Year
Instruction	Direct classroom	\$114,366,439	\$120,769,586	\$122,920,108	1.78%
Support Services	Counselors, media, assessment, central administration, facilities, transportation	\$78,851,573	\$78,968,885	\$84,749,021	7.32%
Community Services	Office of Hispanic Outreach	\$551,209	\$414,813	\$574,703	38.54%
Building Improvements	Building acquisitions and capital improvements	\$19,909	\$106,748	\$0	-100.00%
Other	Debt Service on administration building	\$828,665	\$826,119	\$528,500	-36.03%
Transfers	Transfer to PERS Reserve Fund	\$500,000	\$0	\$0	0.00%
Contingency	Unexpected expenditures	\$0	\$2,500,000	\$0	0.00%
Reserves	Next year's reserve	\$14,558,454	\$7,104,527	\$9,840,724	2.46%
Total		\$209,676,249	\$210,690,678	\$218,613,056	3.75%

* The 2016-17 Adopted Budget column has been adjusted to reflect actual expenditures for the current fiscal year.





General Fund by Function

ACCOUNT	DESCRIPTION	2014-15 ACTUAL	2015-16 ACTUAL	2016-17 ADOPTED*	2017-18 APPROVED	2017-18 FTE
100.1111.0000	PRIMARY EDUCATION	\$38,408,202	\$42,895,391	\$45,807,967	\$46,103,613	464.1
100.1112.0000	INTERMEDIATE PROGRAMS	\$942	\$1,296	\$1,639	\$1,393	0.0
100.1113.0000	ELEMENTARY EXTRACURRIC	\$191,256	\$215,024	\$218,745	\$231,106	0.0
100.1121.0000	MIDDLE SCHOOL PROGRAMS	\$10,304,473	\$10,912,863	\$11,662,185	\$11,729,055	114.7
100.1122.0000	MIDDLE SCHL EXTRACURRIC	\$94,166	\$95,777	\$100,168	\$102,940	0.0
100.1123.0000	SATURDAY SCHOOL-MIDDLE	\$6,371	\$993	\$8,163	\$1,067	0.0
100.1131.0000	HIGH SCHOOL PROGRAMS	\$21,015,889	\$21,727,946	\$22,849,720	\$23,353,018	214.2
100.1132.0000	HIGH SCHOOL EXTRACURRIC	\$2,236,253	\$2,426,778	\$2,535,429	\$2,608,281	7.9
100.1133.0000	SATURDAY SCHOOL-HIGH SCH	\$10,254	\$19,076	\$13,160	\$20,503	0.0
100.1140.0000	PRE-KINDERGARTEN PRGMS	\$0	\$0	\$0	\$0	0.0
100.1210.0000	TALENTED AND GIFTED	\$447,824	\$571,107	\$607,173	\$613,821	2.3
100.1221.0000	LEARNING CNTRS-STRUCTUR	\$7,831,081	\$8,144,659	\$8,312,145	\$8,753,813	135.4
100.1223.0000	COMMUNITY TRANSITION	\$1,083,452	\$1,214,441	\$1,363,614	\$1,305,271	23.4
100.1224.0000	LIFE SKILLLS WITH NURSING	\$1,184,278	\$993,731	\$1,050,388	\$1,068,054	14.0
100.1225.0000	OUT OF DISTRICT PROGRAMS	\$50,493	\$732,486	\$701,281	\$787,270	0.0
100.1226.0000	HOME INSTRUCTION	\$166,724	\$163,986	\$170,763	\$176,251	1.0
100.1227.0000	EXTENDED SCHOOL YR	\$107,670	\$120,026	\$132,168	\$129,003	0.0
100.1230.0000	PHYSICALLY DISABLED	\$215	\$0	\$408	\$0	0.0
100.1250.0000	LESS RESTRICTIVE PROGRMS	\$12,375,874	\$12,295,299	\$12,764,471	\$13,214,886	151.5
100.1272.0000	TITLE I	\$22,532	\$362	\$821	\$389	0.0
100.1280.0000	ALTERNATIVE EDUCATION	\$1,576,674	\$1,387,413	\$1,454,993	\$1,491,180	11.0
100.1288.0000	CHARTER SCHOOLS	\$1,080,988	\$1,223,610	\$1,305,501	\$1,315,126	0.0
100.1289.0000	OPTIONS PROGRAMS	\$508,061	\$477,884	\$500,226	\$513,626	0.8
100.1290.0000	DESIGNATED PROGRAMS	\$1,157	\$0	\$1,128	\$0	0.0
100.1291.0000	ENGLISH 2ND LANGUAG PROG	\$7,088,199	\$8,153,178	\$8,603,620	\$8,762,969	97.9
100.1292.0000	TEEN PARENT PROGRAMS	\$337,243	\$332,865	\$350,718	\$357,761	4.1
100.1294.0000	YOUTH CORRECTN EDUCATN	\$75,742	\$83,941	\$86,379	\$90,219	1.0
100.1296.0000	ACADEMIC INTERVENTIONS	\$0	\$131,537	\$121,611	\$141,375	1.3
100.1430.0000	SECONDARY SUMMER SCH	\$2,616	\$44,772	\$45,000	\$48,118	0.0
TOTAL INSTRUCTIONAL SERVICES		\$106,208,629	\$114,366,439	\$120,769,586	\$122,920,108	1,244.6
100.2110.0000	ATTENDANC & SOCL WRK SVC	\$378,020	\$483,484	\$385,626	\$519,645	4.0
100.2112.0000	ATTENDANCE SERVICES	\$427,145	\$446,393	\$457,292	\$479,780	5.7
100.2113.0000	SOCIAL WORK SERVICES	\$0	\$1,288	\$1,263	\$1,384	10.0
100.2115.0000	STUDENT SAFETY	\$755,508	\$1,116,325	\$1,104,674	\$1,199,817	10.5
100.2116.0000	BEHAVIORIAL SERVICES	\$482,132	\$2,552,528	\$2,600,000	\$2,743,436	0.0
100.2122.0000	COUNSELING SERVICES	\$4,773,171	\$4,816,577	\$5,122,638	\$5,176,817	48.2
100.2126.0000	PLACEMENT SERVICES	\$352,908	\$344,209	\$357,496	\$369,953	3.4
100.2130.0000	HEALTH SERVICES	\$54,005	\$55,306	\$54,048	\$59,442	0.6



ACCOUNT	DESCRIPTION	2014-15 ACTUAL	2015-16 ACTUAL	2016-17 ADOPTED*	2017-18 APPROVED	2017-18 FTE
100.2132.0000	MEDICAL SERVICES	\$40,261	\$64,540	\$44,665	\$69,367	0.0
100.2134.0000	NURSE SERVICES	\$661,867	\$625,758	\$460,223	\$672,560	6.9
100.2139.0000	OTHER HEALTH SERVICES	\$401,974	\$316,343	\$309,098	\$340,003	3.9
100.2140.0000	PSYCHOLOGICAL SERVICES	\$685,746	\$707,087	\$740,088	\$759,971	8.2
100.2150.0000	SPEECH & AUDIO SERVICES	\$2,579,808	\$2,810,920	\$2,423,164	\$3,021,154	28.0
100.2160.0000	STUDENT TREATMNT CENTER	\$91,390	\$275,037	\$79,333	\$295,608	0.0
100.2190.0000	STUDENT SERVICES DIRECTR	\$242,095	\$899,714	\$714,050	\$967,005	0.0
100.2210.0000	IMPROVEMNT OF INSTRCTN	\$1,019,520	\$232	\$803	\$249	2.0
100.2211.0000	SERVICE AREA DIRECTION	\$1,015	\$0	\$937	\$0	0.0
100.2212.0000	OTHER CURRICULUM INSTR	\$199	\$0	\$161	\$0	0.0
100.2213.0000	CURRICULUM DEVELOPMENT	\$533,584	\$63,709	\$62,700	\$68,474	0.0
100.2219.0000	OTHER IMPRV OF INST	\$0	\$0	\$129	\$0	0.0
100.2220.0000	EDUCATIONAL MEDIA SVCS	\$552	\$936	\$355	\$1,006	0.0
100.2222.0000	LIBRARY MEDIA CENTER	\$1,252,507	\$1,364,245	\$1,459,052	\$1,466,279	15.3
100.2223.0000	MULTIMEDIA SERVICES	\$6,693	\$7,516	\$5,436	\$8,078	0.0
100.2230.0000	ASSESSMENT & TESTING	\$314,922	\$315,129	\$335,078	\$338,698	0.0
100.2240.0000	INSTRUCTNL STAFF DEVELOP	\$890,192	\$1,378,306	\$1,443,171	\$1,481,392	3.8
100.2310.0000	BOARD OF EDUCATION	\$209,818	\$192,003	\$204,831	\$206,363	1.0
100.2321.0000	OFFICE OF SUPERINTENDENT	\$957,638	\$559,412	\$590,503	\$601,251	2.0
100.2410.0000	OFFICE OF THE PRINCIPAL	\$13,037,736	\$13,382,165	\$13,829,491	\$14,383,041	114.5
100.2490.0000	OTHER ADMINISTRATION	\$1,661,181	\$2,260,126	\$2,333,821	\$2,429,165	16.0
100.2510.0000	DIRECTOR BUSINESS SVC	\$863,353	\$539,969	\$579,871	\$580,354	7.2
100.2520.0000	FISCAL SERVICES	\$253,983	\$1,290,472	\$1,174,275	\$1,386,989	0.0
100.2524.0000	PAYROLL SERVICES	\$374,105	\$390,113	\$409,876	\$419,290	4.6
100.2525.0000	FINANCIAL ACCOUNTING	\$228,794	\$224,901	\$241,500	\$241,722	3.0
100.2528.0000	RISK MANAGEMENT SERVICES	\$228,774	\$241,341	\$176,149	\$259,391	1.0
100.2529.0000	OTHER FISCAL SERVICES	\$25,055	\$18,443	\$19,750	\$19,822	0.0
100.2540.0000	FACILITIES MAINTENANCE	\$21,507,219	\$18,594,034	\$18,092,521	\$19,984,715	115.7
100.2542.0000	ENERGY RETROFIT- SB1149	\$0	\$0	\$0	\$0	0.0
100.2545.0000	HVAC SERVICES	\$325,070	\$381,001	\$409,227	\$409,497	0.0
100.2550.0000	STUDENT TRANSPORTATION	\$13,803,448	\$13,759,056	\$14,659,283	\$14,788,120	165.8
100.2573.0000	WAREHOUSE/DISTRIBUTION	\$24,834	\$37,376	\$39,752	\$40,171	0.5
100.2574.0000	PRINTING SERVICES	\$178,861	\$114,152	\$109,301	\$122,690	4.0
100.2620.0000	PLANNING & DEVELPMNT SVC	\$0	\$0	\$0	\$0	0.0
100.2630.0000	COMMUNITY RELATIONS	\$593,208	\$635,365	\$662,273	\$682,885	4.0

ACCOUNT	DESCRIPTION	2014-15 ACTUAL	2015-16 ACTUAL	2016-17 ADOPTED*	2017-18 APPROVED	2017-18 FTE
100.2639.0000	OTHER INFORMATION SRVS	\$69,657	\$61,588	\$59,099	\$66,195	1.0
100.2640.0000	STAFF SERVICES	\$1,444,286	\$1,764,056	\$1,607,765	\$1,895,993	12.4
100.2660.0000	TECHNOLOGY SERVICES	\$6,071,078	\$5,702,653	\$5,590,731	\$6,129,165	21.2
100.2670.0000	RECORDS MANAGEMENT	\$15,272	\$23,927	\$15,699	\$25,717	0.0
100.2690.0000	COORDINATION OF OPER	\$116,259	\$1,571	\$1,688	\$36,367	0.0
100.2700.0000	EARLY RETIREMENT	\$49,614	\$32,266	\$0	\$0	0.0
TOTAL SUPPORT SERVICES		\$77,984,457	\$78,851,573	\$78,968,885	\$84,749,022	624.4
100.3390.0000	OTHER COMMUNITY SERVICES	\$398,877	\$551,209	\$414,813	\$574,703	4.1
TOTAL OFFICE OF HISPANIC OUTREACH		\$398,877	\$551,209	\$414,813	\$574,703	4.1
100.4150.0000	BUILDING IMPROVEMENTS	\$103,802	\$19,909	\$106,748	\$0	0.0
TOTAL BUILDING IMPROVEMENTS		\$103,802	\$19,909	\$106,748	\$0	0.0
100.5110.0000	LONG TERM DEBT SERVICE	\$529,850	\$828,665	\$826,119	\$528,500	0.0
TOTAL DEBT SERVICES		\$529,850	\$828,665	\$826,119	\$528,500	0.0
100.5200.0000	TRANSFER TO PERS RESERVE	\$0	\$500,000	\$0	\$0	0.0
TOTAL TRANSFERS		\$0	\$500,000	\$0	\$0	0.0
100.6110.0000	OPERATING CONTINGENCY	\$0	\$0	\$2,500,000	\$0	0.0
100.7000.0000	UNAPPROPRIATED END BAL	\$17,604,269	\$14,558,454	7,104,527	\$9,840,724	0.0
TOTAL EXPENDITURES		\$202,829,885	\$209,676,249	\$210,690,678	\$218,613,056	1,873.1

* The 2016-17 Adopted Budget column has been adjusted to reflect actual expenditures for the current fiscal year.



- 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 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.

REVENUE

Special Funds Part 1	(Funds 101 - 299)	\$26,092,370
Special Funds Part 2	(Funds 217, 277, 500)	<u>\$9,476,000</u>
Total Revenue		<u><u>\$35,568,370</u></u>

EXPENDITURES

Special Funds Part 1	(Funds 101 - 299)	\$26,092,370
Special Funds Part 2	(Funds 217, 277, 500)	<u>\$9,476,000</u>
Total Expenditures		<u><u>\$35,568,370</u></u>

BUDGET REVENUES – SPECIAL FUNDS (PART 1 – GRANTS)

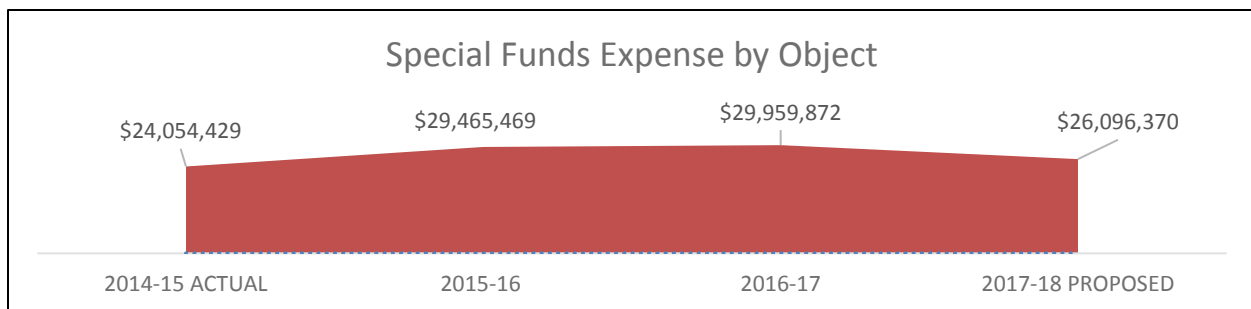
ACCOUNT	DESCRIPTION	2014-15 ACTUAL	2015-16 ACTUAL	2016-17 ADOPTED*	2017-18 APPROVED
2XX.0000.1200	CONSTRUCTION EXCISE TAX	\$998,908	\$1,176,263	\$2,244,143	\$3,000,000
2XX.0000.1744	STUDENT PARTICIPATION FEE	\$4,032,784	\$4,226,696	\$4,222,846	\$3,742,839
2XX.0000.1746	STUDENT TESTING FEES	\$1,275	\$16,277	\$1,588	\$14,414
2XX.0000.1920	DONATION FROM PRIV SOURCE	\$908,813	\$90,210	\$1,131,930	\$1,250,000
2XX.0000.1940	SERVCS/OTHER AGENCIES	\$47,328	\$906,489	\$858,947	\$802,717
2XX.0000.1960	RECOVERY PRIOR YEAR	\$0	\$4,428	\$0	\$3,921
2XX.0000.1990	MISCELLANEOUS REVENUE	\$0	\$75,439	\$0	\$66,803
2XX.0000.1993	REIMBURSE/EXPENSE	\$15,814	\$0	\$19,696	\$0
2XX.0000.2200	RESTRICTED REVENUE	\$548,511	\$687,983	\$683,172	\$609,225
2XX.0000.2212	PUBLIC PURPOSE CHARGE REV	\$388,839	\$390,634	\$484,300	\$345,916
2XX.0000.3200	RESTRICTED GRANTS IN AID	\$951,530	\$994,133	\$1,485,134	\$880,328
2XX.0000.3222	SSF TRANSPORTATION EQUIP	\$810,000	\$1,020,000	\$1,108,858	\$1,050,000
2XX.0000.3299	OTHER RESTRICTED GRANTS	\$0	\$0	\$0	\$3,000,000
2XX.0000.4100	UNRESTR DIR FROM FED GOVT	\$16,636	\$22,856	\$20,720	\$20,240
2XX.0000.4500	RESTR FROM FED THRU STATE	\$430,422	\$435,288	\$436,092	\$385,458
2XX.0000.4501	TITLE I REVENUES	\$4,815,287	\$4,569,708	\$4,397,456	\$3,576,000
2XX.0000.4505	SCHOOL NUTRITION REVENUE	\$322,083	\$80,135	\$401,155	\$70,961
2XX.0000.4506	PERKINS VOC ED REVENUE	\$149,920	\$172,617	\$186,726	\$152,856
2XX.0000.4508	IDEA (PL 101-476)	\$2,236,271	\$2,853,820	\$3,085,283	\$2,945,000
2XX.0000.4509	TITLE ID REVENUES	\$19,617	\$21,162	\$24,443	\$18,739
2XX.0000.4512	TITLE II REVENUE	\$570,821	\$523,022	\$710,959	\$530,000
2XX.0000.4545	FOCUS PLANNING	\$92,833	\$79,406	\$115,624	\$56,600
2XX.0000.4580	HOMELESS GRANT	\$52,677	\$20,191	\$65,609	\$60,000
2XX.0000.4700	GRANTS FROM FED THRU OTHR	\$694,611	\$618,598	\$865,140	\$547,783
2XX.0000.4705	DEPENDT CARE BLOCK GRANT	\$91,357	\$70,211	\$113,785	\$62,174
2XX.0000.5100	LONG-TERM DEBT FINANCE SOURCE	\$1,430,050	\$5,374,289	\$1,781,132	\$1,300,000
2XX.0000.5300	COMPENSATION/LOSS ASSETS	\$0	\$38,286	\$0	\$33,903
2XX.0000.5400	BEGINNING FUND BALANCE	\$4,428,042	\$4,997,328	\$5,515,134	\$1,566,492
TOTAL RESOURCES		\$24,054,429	\$29,465,469	\$29,959,872	\$26,092,370

* The 2016-17 Adopted Budget column has been adjusted to reflect actual estimated revenues in the current fiscal year.

SPECIAL FUNDS EXPENDITURES BY OBJECT (PART 1 – GRANTS)

ACCOUNT	DESCRIPTION	2014-15 ACTUAL	2015-16 ACTUAL	2016-17 ADOPTED	2017-18 APPROVED
2XX.0000.0111	REG LICENSED SALARIES	\$3,046,933	\$2,905,490	\$3,794,965	\$5,010,065
2XX.0000.0112	REG CLASSIFIED SALARIES	\$1,457,874	\$1,625,714	\$1,815,787	\$1,404,461
2XX.0000.0113	REG ADMIN SALARIES	\$677,631	\$702,230	\$843,993	\$606,659
2XX.0000.0114	REG SUPERVISORY SALARIES	\$49,388	\$95,932	\$61,513	\$82,876
2XX.0000.0121	SUBSTITUTES-LICENSED	\$424,739	\$187,214	\$529,014	\$161,735
2XX.0000.0122	SUBSTITUTES-CLASSIFIED	\$36,930	\$14,704	\$45,997	\$12,703
2XX.0000.0123	CERTIFIED TEMPORARY WAGE	\$109,884	\$128,992	\$136,861	\$111,437
2XX.0000.0124	TEMPORARY-CLASSIFIED	\$88,722	\$41,853	\$110,504	\$36,157
2XX.0000.0131	EXTENDED CONTRACT	\$547,844	\$504,571	\$682,341	\$435,901
2XX.0000.0132	DEPT COORDINATOR STIPEND	\$0	\$0	\$0	\$0
2XX.0000.0133	ATHLETIC COACHING PAY	\$0	\$0	\$0	\$0
2XX.0000.0134	ADVISOR PAY	\$7,200	\$9,000	\$8,968	\$7,775
2XX.0000.0136	ATHLETIC/ACTIVITY PAY	\$2,616	\$1,473	\$3,259	\$1,273
2XX.0000.0138	EXTRA DUTY STIPEND	\$0	\$0	\$0	\$0
2XX.0000.0139	OVERTIME WAGES	\$9,660	\$16,754	\$12,032	\$14,474
2XX.0000.0140	OTHER TIME	\$9,790	\$6,035	\$12,193	\$5,213
2XX.0000.0144	STUDENT WAGES	\$9,009	\$8,867	\$11,221	\$7,660
2XX.0000.02XX	EMPLOYEE BENEFITS	\$2,915,620	\$2,702,503	\$3,631,415	\$2,334,703
2XX.0000.0310	INST, PROF & TECH SERVICE	\$75,984	\$60,453	\$94,638	\$52,225
2XX.0000.0311	INSTRUCTION SERVICES	\$387,995	\$91,349	\$483,249	\$78,917
2XX.0000.0312	INSTR PROG IMPROVEMENT	\$176,752	\$101,786	\$220,145	\$87,934
2XX.0000.0318	PROF IMPROVE/NON-INSTRUCT	\$525	\$0	\$654	\$0
2XX.0000.0319	OTHER PROF & TECH INSTRNL	\$124,898	\$15,041	\$155,561	\$12,994
2XX.0000.0322	REPAIR & MAINTENANCE	\$2,561	\$414	\$3,189	\$358
2XX.0000.0323	LAUNDRY & DRY CLEANING	\$751	\$480	\$935	\$414
2XX.0000.0324	RENTAL EXPENSE	\$10,720	\$0	\$13,352	\$0
2XX.0000.0330	STUDENT TRANSPORTATION	\$480	\$2,538	\$598	\$2,193
2XX.0000.0331	REIMBURSABLE STUDENT TRAN	\$123,612	\$73,440	\$153,959	\$63,445
2XX.0000.0332	NONREIMB STUDENT TRANSP	\$1,279	\$645	\$1,593	\$557
2XX.0000.0340	TRAVEL	\$446,394	\$345,312	\$555,986	\$298,316
2XX.0000.0343	STUDENT OUT OF DIST TRANS	\$11,803	\$17,902	\$14,700	\$15,466
2XX.0000.0353	POSTAGE	\$2,707	\$1,358	\$3,372	\$1,173
2XX.0000.0355	PRINTING & BINDING	\$11,744	\$8,656	\$14,627	\$7,478
2XX.0000.0374	OTHER TUITION PAYMENTS	\$0	\$650	\$0	\$562
2XX.0000.0382	LEGAL SERVICES	\$0	\$29,067	\$0	\$25,111
2XX.0000.0390	OTHER GEN PROF & TECH SRV	\$262,883	\$1,445,312	\$327,421	\$1,248,611

ACCOUNT	DESCRIPTION	2014-15 ACTUAL	2015-16 ACTUAL	2016-17 ADOPTED	2017-18 APPROVED
2XX.0000.0391	SUBSTITUTES- LICENSED	\$0	\$179,373	\$0	\$154,961
2XX.0000.0392	SUBSTITUTES- LICENSED	\$0	\$38,406	\$0	\$33,179
2XX.0000.0410	SUPPLIES & MATERIALS	\$4,300,688	\$4,688,440	\$5,356,521	\$4,050,363
2XX.0000.0418	GASOLINE & OIL	\$292	\$604	\$363	\$522
2XX.0000.0420	TEXTBOOKS	\$0	\$0	\$0	\$5,741
2XX.0000.0430	LIBRARY BOOKS	\$388	6,645	\$483	\$4,700
2XX.0000.0440	PERIODICAL SUBSCRIPTIONS	\$21,628	\$5,440	\$26,938	\$0
2XX.0000.0450	FOOD	\$105,080	\$0	\$130,877	\$76,087
2XX.0000.0460	NON-CONSUMABLE ITEMS	\$59,060	\$88,073	\$73,560	\$639,947
2XX.0000.0461	<\$5000 EQUIPMENT	\$26,190	\$161,994	\$32,619	\$64,615
2XX.0000.0470	COMPUTER SOFTWARE	\$52,894	\$74,794	\$65,880	\$64,615
2XX.0000.0480	COMPUTER HARDWARE	\$177,316	\$280,122	\$220,848	\$241,999
2XX.0000.0481	<\$5000 COMPUTER HARDWARE	\$65,885	\$155,287	\$82,060	\$134,153
2XX.0000.0510	LAND ACQUISITION	\$0	\$216,473	\$0	\$187,012
2XX.0000.0520	BUILDINGS ACQUISITION	\$0	\$336,948	\$0	\$291,091
2XX.0000.0530	IMPROV OTHER THAN BLDGS	\$117,411	\$181,373	\$146,236	\$156,689
2XX.0000.0540	CAPITAL EQUIPMENT	\$1,524,292	\$2,104,304	\$1,898,510	\$1,817,917
2XX.0000.0550	CAPITAL TECHNOLOGY	\$12,262	\$64,385	\$15,272	\$55,622
2XX.0000.0610	PRINCIPAL	\$1,046,006	\$980,301	\$1,302,804	\$846,886
2XX.0000.0621	INTEREST	\$0	\$18,520	\$0	\$16,000
2XX.0000.0622	INTEREST-TRANSPORTATION	\$36,139	\$16,075	\$45,012	\$13,888
2XX.0000.0640	DUES & FEES	\$32,107	-\$4,521	\$39,989	-\$3,906
2XX.0000.0651	LIABILITY INSURANCE	\$0	\$2,120	\$0	\$1,831
2XX.0000.0670	TAXES & LICENSES	\$1,450	\$3,447	\$1,806	\$2,978
2XX.0000.0690	GRANT INDIRECT CHARGES	\$354,262	\$455,753	\$479,252	\$747,780
2XX.0000.0820	RESERVED FOR NEXT YEAR	\$5,086,151	\$8,265,377	\$6,296,800	\$4,358,855
TOTAL EXPENDITURES		\$24,054,429	\$29,465,469	\$29,959,872	\$26,092,370



SPECIAL FUNDS EXPENDITURES BY FUNCTION (PART 1 – GRANTS)

ACCOUNT	DESCRIPTION	2014-15 ACTUAL	2015-16 ACTUAL	2016-17 ADOPTED	2017-18 APPROVED
2XX.1111.0000	PRIMARY PROGRAMS K-3	\$344,635	\$435,465	\$429,244	\$385,615
2XX.1113.0000	ELEMENTRY EXTRACURRICULAR	\$296,361	\$381,280	\$369,119	\$337,632
2XX.1121.0000	MIDDLE SCHOOL PROGRAMS	\$15,406	\$32,785	\$19,189	\$29,032
2XX.1122.0000	MIDDLE SCH EXTRACURRICULR	\$205,364	\$228,824	\$255,781	\$202,629
2XX.1131.0000	HIGH SCHOOL PROGRAMS	\$323,862	\$647,172	\$403,371	\$3,073,086
2XX.1132.0000	HIGH SCH EXTRACURRICULAR	\$3,357,865	\$3,583,679	\$4,182,232	\$3,073,433
2XX.1210.0000	TALENTED & GIFTED PROGRAMS	\$0	\$9,756	\$0	\$8,639
2XX.1221.0000	LEARNING CNTRS-STRUCTURED	\$1,009,217	\$1,048,977	\$1,256,983	\$928,894
2XX.1223.0000	COMMUNITY TRANSITION SRVC	\$585,067	\$511,963	\$728,702	\$453,355
2XX.1224.0000	LIFE SKILLS WITH NURSING	\$0	\$2,337	\$0	\$2,069
2XX.1250.0000	LESS RESTR PROG-DISABLED	\$297,202	\$303,431	\$370,166	\$268,695
2XX.1272.0000	TITLE I	\$3,037,496	\$2,809,913	\$3,783,212	\$2,488,245
2XX.1280.0000	ALTERNATIVE EDUCATION	\$495,984	\$515,011	\$617,750	\$456,054
2XX.1289.0000	ALTERNATIVE EDUCATION	\$0	\$50,125	\$0	\$44,387
2XX.1290.0000	DESIGNATED PROGRAMS	\$115	\$0	\$143	\$0
2XX.1291.0000	ENGLISH 2ND LANG PROGRAMS	\$13,451	\$13,350	\$16,754	\$11,822
2XX.1292.0000	TEEN PARENT PROGRAMS	\$92,703	\$70,211	\$115,462	\$62,174
2XX.1293.0000	MIGRANT EDUCATION	\$269,798	\$320,524	\$336,035	\$283,832
2XX.1295.0000	INDIAN EDUCATION PROGRAM	\$16,636	\$23,106	\$20,721	\$20,461
2XX.1300.0000	CONTINUING ED PROGRAMS	\$0	\$650	\$0	\$576
2XX.1400.0000	SUMMER SCHOOL PROGRAMS	\$21,128	\$53,959	\$26,315	\$47,782
2XX.1410.0000	SUMMER SCHOOL-INTERMEDIAT	\$35,803	\$45,633	\$44,593	\$40,409
2XX.1420.0000	SUMMER SCHOOL-INTERMEDIAT	\$14,330	\$21,228	\$17,849	\$18,798
2XX.1430.0000	SECONDARY SUMMER	\$26,255	\$28,401	\$32,701	\$25,150
2XX.1440.0000	K-3 SUMMER SCHOOL PROGRAM	\$63,201	\$89,489	\$78,717	\$79,245
2XX.1490.0000	SECONDARY SUMMER SCHOOL	\$32,129	\$24,625	\$40,016	\$21,806
2XX.1495.0000	ID & RCRTMNT - MIGRANT SUMMR	\$3,045	\$6,843	\$3,793	\$6,060
2XX.2100.0000	SUPPORT SERVICES-STUDENTS	\$121,230	\$134,017	\$150,992	\$118,675
2XX.2110.0000	ATTNDNCE & SOCIAL WRK SRV	\$0	\$69	\$0	\$61
2XX.2114.0000	STUDENT ACCTNG SVCS	\$0	\$92	\$0	\$81
2XX.2117.0000	ID & RCRTMNT OF MIGRANT	\$151,451	\$147,907	\$188,146	\$130,975
2XX.2119.0000	OTHER ATTEN & SOCIAL SVCS	\$188,211	\$187,006	\$234,417	\$243,865
2XX.2120.0000	GUIDANCE SERVICES	\$6,000	\$0	\$7,473	\$0
2XX.2122.0000	COUNSELING SERVICES	\$3,364	\$4,539	\$4,190	\$4,019
2XX.2126.0000	PLACEMENT SERVICES	\$7,753	\$0	\$9,656	\$0
2XX.2130.0000	HEALTH SERVICES	\$1,207	\$250	\$1,504	\$221
2XX.2134.0000	NURSE SERVICES	\$102	\$199	\$127	\$176

ACCOUNT	DESCRIPTION	2014-15 ACTUAL	2015-16 ACTUAL	2016-17 ADOPTED	2017-18 APPROVED
2XX.2139.0000	OTHER HEALTH SERVICES	\$21,615	\$2,858	\$26,921	\$2,531
2XX.2140.0000	PSYCHOLOGICAL SERVICES	\$171,061	\$171,805	\$213,057	\$152,137
2XX.2150.0000	SPEECH & AUDIO SERVICES	\$64,067	\$22,270	\$79,796	\$19,721
2XX.2160.0000	STUDENT TREATMENT SERVICE	\$291,538	\$305,888	\$363,111	\$270,871
2XX.2190.0000	STUDENT SERVICES DIRECTOR	\$644,918	\$687,078	\$803,248	\$608,424
2XX.2210.0000	IMPROVEMENT OF INSTRUCTION	\$166,817	\$120,889	\$207,771	\$107,050
2XX.2211.0000	IMPROVEMENT OF INST SVC	\$0	\$6,870	\$0	\$6,084
2XX.2219.0000	OTHER IMPR OF INSTRUCTION	\$17,392	\$19,361	\$21,661	\$17,145
2XX.2230.0000	ASSESSMENT & TESTING	\$69,322	\$8,047	\$86,340	\$7,126
2XX.2240.0000	HEALTH SERVICES	\$2,378,112	\$1,740,324	\$1,961,947	\$1,541,098
2XX.2300.0000	SUPPORT SVCS-GEN ADMIN	\$0	\$1,232	\$0	\$1,091
2XX.2410.0000	OFFICE OF THE PRINCIPAL	\$80,392	\$107,238	\$100,128	\$94,962
2XX.2490.0000	OTHER SUP-SCH ADMINISTRATION	\$46,552	\$87,719	\$57,981	\$77,677
2XX.2520.0000	FISCAL SERVICES	\$0	\$29,067	\$0	\$25,740
2XX.2540.0000	FACILITIES MAINTENANCE	\$5,117	\$870,000	\$6,448	\$770,406
2XX.2550.0000	STUDENT TRANSPORTATION	\$2,720,336	\$2,624,799	\$2,388,185	\$2,324,322
2XX.2610.0000	DIRECTOR/CENTRAL SUPPORT	\$648,930	\$590,763	\$808,245	\$523,135
2XX.2620.0000	PLANNING & DEVEL SVCS	\$9,101	\$11,414	\$11,336	\$10,107
2XX.2630.0000	COMMUNITY RELATIONS	\$0	\$0	\$38,430	\$0
2XX.2660.0000	TECHNOLOGY SERVICES	\$23,327	\$128,605	\$29,054	\$113,883
2XX.3110.0000	SERVICE AREA DIRECTION	\$0	\$40	\$0	\$35
2XX.3120.0000	FOOD PREP & DISP SERVICES	\$166,292	\$199,762	\$207,118	\$0
2XX.3130.0000	FOOD PREP & DISP SERVICES	\$292	\$0	\$363	\$0
2XX.3300.0000	COMMUNITY SERVICES	\$74,625	\$71,041	\$92,946	\$62,908
2XX.3390.0000	OTHER COMMUNITY SERVICES	\$196,690	\$2,450	\$244,978	\$2,169
2XX.4150.0000	BLDG ACQUIS, CONST & IMPR	\$135,411	\$0	\$168,655	\$150,000
2XX.4151.0000	ENERGY IMPROVMENTS	\$0	\$0	\$2,000,000	\$100,000
2XX.5100.0000	DEBT SERVICE	\$0	\$1,232,086	\$0	\$1,500,000
2XX.5110.0000	INTERFUND TRANSFERS	\$0	\$425,670	\$0	\$376,941
2XX.6100.0000	RESERVED FOR NEXT YEAR	\$5,086,151	\$8,265,377	\$6,296,800	\$4,358,855
TOTAL EXPENDITURES		\$24,054,429	\$29,465,469	\$29,959,872	\$26,092,370

PART 2 – NUTRITION SERVICES

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

Nutrition Services' budget is \$9,833,000 for the 2017-18 school year, including the Summer Foodservice Program. Nutrition Services operates federally and state-funded meal programs that provide breakfast, lunch, various after-school snacks, and a summer feeding program in cooperation with Hillsboro Parks and Recreation and area organizations. During the regular school year Nutrition Services provides meals to four high schools, four middle schools, twenty-five elementary schools, two alternative schools, and Head Start programs in five of the schools. During summer recess, approximately meal servings sites and summer learning programs receive meals around the community to provide for populations in need.

The Nutrition Services department is self-supporting and receives no funds from the District's general operating account. Nutrition Services pays wages and benefits for 127 employees. This includes warehouse, office, and District maintenance staff. Salary and benefits represent 44.7 percent of the department's expenditures.

Food, paper, and chemical supplies average 50.6 percent of Nutrition Services' expenditures. The department funds provide for repair and/or replacement of kitchen equipment.

Nutrition Services operates a 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 third year with 14 schools that qualify all students to receive breakfast and lunch at no cost. Of the 20 non-CEP schools, the percentage of free-and-reduced-price-eligible students totals 40.1 percent or 6,044 students, with 3 sites having more than 50 percent of the students eligible.



Average Daily Participation (ADP) equates to 50.1 percent of District student enrollment.

À 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	48.612%	50.293%	40.259%	46.388%
October	64.612%	50.154%	39.068%	51.278%
November	65.629%	49.688%	38.067%	51.128%
December	66.198%	49.135%	37.793%	51.042%
January	65.168%	48.435%	37.550%	50.384%
February	64.817%	47.632%	37.543%	49.997%
March	65.710%	48.253%	37.976%	50.647%

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.

In the 2017-18 Budget Year, Nutrition Services will be reporting revenues and expenditures within Fund 277 and 217. This change describes the activities as a special revenue fund to align with the Oregon Department of Education Program Budgeting and Accounting Manual. This reporting will combine fund 217, Summer Nutrition Services (formerly reported in Special Revenue Funds Part 1-Grants) and Fund 277, school year Nutrition Services operations (formerly reported in Special Revenue Funds Part 2-Nutrition Services).

2016-17 NUTRITION SERVICES REVENUES

ACCOUNT	DESCRIPTION	2014-15 ACTUAL	2015-16 ACTUAL	2016-17 ADOPTED	2017-18 APPROVED
XXX.0000.1611	BREAKFAST SALES	(\$296)	\$0	(\$296)	\$0
XXX.0000.1612	LUNCH SALES	\$1,176,420	\$1,268,286	\$1,176,420	\$1,375,000
XXX.0000.1620	NONREIMB PROGRAM SALES	\$133,683	\$117,808	\$133,683	\$175,000
XXX.0000.1630	SPECIAL FUNCTIONS	\$202,532	\$253,273	\$202,532	\$215,000
XXX.0000.1750	VENDING MACHINE	\$32,331	\$24,626	\$32,331	\$35,000
XXX.0000.1990	MISCELLANEOUS REVENUE	\$15,052	\$44,793	\$15,052	\$15,000
XXX.0000.3102	SCHOOL SUPPT/LUNCH MATCH	\$83,196	\$82,885	\$83,196	\$85,000
XXX.0000.3120	REDUCED BRKFST/LNCH	\$0	\$63,557	\$0	\$66,000
XXX.0000.4505	SCHOOL NUTRITION	\$5,518,321	\$5,660,723	\$5,518,321	\$5,656,000
XXX.0000.4910	USDA COMMODITIES	\$463,265	\$557,122	\$611,156	\$645,000
XXX.0000.5400	BEGINNING FUND BALANCE	\$1,212,690	\$371,850	\$1,212,690	\$1,209,000
TOTAL REVENUE		\$8,837,194	\$8,444,923	\$8,985,085	\$9,476,000

NUTRITION SERVICES EXPENDITURES BY OBJECT

ACCOUNT	DESCRIPTION	2014-15 ACTUAL	2015-16 ACTUAL	2016-17 ADOPTED	2017-18 APPROVED
XXX.0000.0112	REG CLASSIFIED SALARIES	\$1,974,860	\$2,037,304	\$2,034,106	\$2,183,000
XXX.0000.0113	REG ADMIN SALARIES	\$110,978	\$103,479	\$114,307	\$122,000
XXX.0000.0114	REG SUPERVISORY SALARIES	\$60,030	\$62,390	\$61,831	\$67,000
XXX.0000.0122	SUBSTITUTES-CLASSIFIED	\$113,198	\$42,093	\$128,198	\$45,000
XXX.0000.0124	TEMPORARY- CLASSIFIED	\$0	\$0	\$0	\$55,000
XXX.0000.0139	OVERTIME SALARIES	\$1,262	\$56,602	\$1,262	\$0
XXX.0000.0140	OTHER TIME	\$40,954	\$0	\$40,954	\$61,000
XXX.0000.0211	PERS EMPLOYER CONTRIBUTN	\$159,422	\$107,645	\$164,205	\$228,000
XXX.0000.0213	PERS BOND 2005	\$141,451	\$140,119	\$145,695	\$158,000
XXX.0000.0214	PERS BOND 2015	\$0	\$42,113	\$0	\$47,000
XXX.0000.0216	PERS EMPLOYER-TIER III	\$125,061	\$75,216	\$128,813	\$84,000
XXX.0000.0220	SOCIAL SECURITY ADMIN	\$172,412	\$173,913	\$179,308	\$192,000
XXX.0000.0231	WORKERS' COMPENSATION	\$54,376	\$50,126	\$56,007	\$63,000
XXX.0000.0232	UNEMPLOYMENT COMPENSATION	\$2,232	\$2,245	\$2,299	\$3,000
XXX.0000.0241	DISABILITY INSURANCE	\$8,548	\$8,486	\$8,804	\$10,000
XXX.0000.0242	MEDICAL INSURANCE	\$602,123	\$588,447	\$620,187	\$605,000
XXX.0000.0243	LIFE INSURANCE	\$4,594	\$4,167	\$4,732	\$4,000
XXX.0000.0244	EMPLOYEE ASSISTANCE	\$792	\$699	\$816	\$1,000
XXX.0000.0246	DENTAL INSURANCE	\$86,745	\$77,518	\$89,347	\$82,000
XXX.0000.0248	VISION INSURANCE	\$17,172	\$15,326	\$17,687	\$16,000
XXX.0000.0251	ADMIN FLEX BENEFIT	\$25,800	\$24,075	\$25,800	\$34,000
XXX.0000.0254	COMMUNICATIONS STIPEND	\$0	\$1,170	\$0	\$2,000
XXX.0000.0318	PROF IMPRV/NON INSTRUCT	\$6,097	\$1,582	\$6,097	\$4,000
XXX.0000.0322	REPAIR & MAINTENANCE	\$40,957	\$37,296	\$40,957	\$60,000
XXX.0000.0323	LAUNDRY & DRY CLEANING	\$29,838	\$20,220	\$29,838	\$24,000
XXX.0000.0324	RENTAL EXPENSE	\$571	\$0	\$571	\$0
XXX.0000.0325	ELECTRICITY	\$18,317	\$16,385	\$18,317	\$18,000
XXX.0000.0340	TRAVEL	\$12,811	\$9,336	\$12,811	\$3,000
XXX.0000.0351	TELEPHONE	\$0	\$0	\$0	\$4,000
XXX.0000.0353	POSTAGE	\$5,440	\$3,009	\$5,440	\$1,000
XXX.0000.0354	ADVERTISING	\$0	\$58	\$0	\$0
XXX.0000.0355	PRINTING & BINDING	\$3,650	\$3,126	\$3,650	\$7,000
XXX.0000.0390	OTHER GEN PROF & TECH SRV	\$58,769	\$14,733	\$58,769	\$18,000
XXX.0000.0392	BANK SERVICE FEES	\$0	\$48	\$0	\$0
XXX.0000.0399	SUBSTITUTES – CLASSIFIED	\$0	\$82,597	\$0	\$5,000
XXX.0000.0410	SUPPLIES & MATERIALS	(\$30,082)	(\$78,032)	(\$41,878)	\$5,000
XXX.0000.0413	FOOD SUPPLIES	\$48,218	\$39,720	\$48,218	\$44,000
XXX.0000.0414	PAPER SUPPLIES	\$77,986	\$84,313	\$77,986	\$87,000
XXX.0000.0415	USDA COMMODITIES	\$463,265	\$557,122	\$611,156	\$646,000

ACCOUNT	DESCRIPTION	2014-15 ACTUAL	2015-16 ACTUAL	2015-16 ADOPTED	2016-17 ADOPTED
XXX.0000.0418	TRANSPORTATION FUEL	\$6,695	\$0	\$6,695	\$8,000
XXX.0000.0419	TIRES	\$1,829	\$0	\$1,829	\$0
XXX.0000.0450	FOOD	\$3,572,159	\$3,314,630	\$3,572,159	\$3,935,000
XXX.0000.0460	NON-CONSUMABLE ITEMS	\$13,765	\$8,005	\$13,765	\$29,000
XXX.0000.0461	<\$5000 EQUIPMENT	\$58,048	\$4,854	\$58,048	\$65,000
XXX.0000.0470	COMPUTER SOFTWARE	\$347	\$49,254	\$347	\$56,000
XXX.0000.0480	COMPUTER HARDWARE	\$4,334	\$2,235	\$4,334	\$15,000
XXX.0000.0540	DEPRECIABLE EQUIPMENT	\$11,842	\$0	\$11,842	\$0
XXX.0000.0542	REPLACEMENT EQUIPMENT	\$11,998	\$0	\$11,998	\$0
XXX.0000.0640	DUES & FEES	\$47,730	\$54,040	\$47,730	\$55,000
XXX.0000.0690	INDIRECT COSTS/CUSTODIAL	\$298,750	\$235,409	\$298,750	\$325,000
XXX.0000.0820	RESERVED FOR NEXT YEAR	\$371,850	\$371,850	\$261,298	\$0
TOTAL EXPENDITURES		\$8,837,194	\$8,444,923	\$8,985,085	\$9,476,000



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, 2017, is \$114,395,000 in bonded debt, and \$122,985,000 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, 2016, was 7.28 percent.



Budget General Obligation Bonds

		PRINCIPAL OUTSTANDING 7/1/2017	2017-18 PRINCIPAL PAYMENTS	2017-18 INTEREST PAYMENTS
PURPOSE	Refunding 1999 & 2001			
ISSUE DATE	May 2005			
ISSUE AMOUNT	\$78,055,000	\$12,105,000	\$12,105,000	\$635,513
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	\$85,005,000	\$4,430,000	\$4,031,492
COUPON RATES	4.052 to 4.759%			
FINAL PAYMENT DATE	June 2028			
PURPOSE	GO Bond Refunding, Series 2012			
ISSUE DATE	November 2012			
PAR AMOUNT	\$98,950,000	\$97,220,000	\$10,385,000	\$3,929,613
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	\$5,070,000	\$5,070,000	\$189,300
COUPON RATES	1.50 – 5.00%			
FINAL PAYMENT DATE	June 2018			
PURPOSE	Pension Obligation Bond			
ISSUE DATE	March 2015			
ISSUE AMOUNT	\$39,285,000	\$37,980,000	\$985,000	\$1,491,057
COUPON RATES	0.65% to 3.505%			
FINAL PAYMENT DATE	June 2034			
TOTAL		\$237,380,000	\$32,975,000	\$10,276,974

BUDGET REVENUE DEBT SERVICE

ACCOUNT	DESCRIPTION	2014-15 ACTUAL	2015-16 ACTUAL	2016-17 ADOPTED	2017-18 APPROVED
300.0000.1111	CURRENT YEAR PROPERTY TAX	\$29,397,082	\$30,341,295	\$31,381,626	\$32,314,425
300.0000.1112	PRIOR YEAR PROPERTY TAX	\$542,048	\$346,497	\$250,000	\$250,000
300.0000.1114	PAYMENTS IN LIEU OF TAX	\$3,519	\$5,851	\$0	\$0
300.0000.1190	PENALTIES & INTER ON TAX	\$5,697	\$7,279	\$10,000	\$10,000
300.0000.1512	INTEREST ON LGIP	\$72,672	\$100,364	\$70,000	\$100,000
300.0000.1960	RECOVERY PRIOR YR EXPENSE	\$35,640	\$0	\$0	\$0
300.0000.5400	BEGINNING FUND BALANCE	\$3,984,610	\$1,433,642	\$0	\$945,000
329.0000.5400	BEGINNING FUND BALANCE	\$0	\$324	\$0	\$0
390.0000.1970	SERVICES PROVIDE OTHER FUND	\$7,257,275	\$8,717,282	\$10,432,771	\$10,937,549
TOTAL REVENUE		\$41,298,543	\$40,952,534	\$42,144,397	\$44,556,974

BUDGET EXPENDITURES DEBT SERVICE

ACCOUNT	DESCRIPTION	2014-15 ACTUAL	2015-16 ACTUAL	2016-17 ADOPTED	2017-18 APPROVED
300.0000.0319	OTHER GEN PROF & TECH SRV	\$20,729	\$1,773	\$0	\$20,000
300.0000.0610	REDEMPTION OF PRINCIPAL	\$24,665,000	\$23,495,000	\$25,435,000	\$28,845,000
300.0000.0621	INTEREST	\$7,921,090	\$6,978,013	\$5,946,625	\$4,754,425
300.0000.0820	RESERVED FOR NEXT YEAR	\$1,433,967	\$1,661,261	\$330,001	\$0
390.0000.0610	REDEMPTION OF PRINCIPAL	\$2,775,000	\$3,705,000	\$4,720,000	\$5,415,000
390.0000.0620	INTEREST	\$4,482,757	\$5,111,488	\$5,712,771	\$5,522,549
TOTAL EXPENDITURES		\$41,298,543	\$40,952,534	\$42,144,397	\$44,556,974

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 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.



RESOURCES – CONSTRUCTION FUND BY OBJECT

ACCOUNT	DESCRIPTION	2014-15 ACTUAL	2015-16 ACTUAL	2016-17 ADOPTED	2017-18 APPROVED
4XX.0000.151X	INTEREST ON INVESTMENTS	\$8,181	\$6,025	\$200	\$200
4XX.0000.19XX	MISC INCOME	\$149,091	\$0	\$0	\$0
4XX.0000.51XX	LONG TERM FINANCING	\$0	\$0	\$0	\$0
4XX.0000.5400	BEGINNING FUND BALANCE	\$6,029,446	\$2,865,775	\$1,500,000	\$1,000,000
TOTAL RESOURCES		\$6,186,718	\$2,871,800	\$1,500,200	\$1,000,200

CONSTRUCTION FUND EXPENDITURES BY OBJECT

ACCOUNT	DESCRIPTION	2014-15 ACTUAL	2015-16 ACTUAL	2016-17 ADOPTED	2017-18 APPROVED
4XX.0000.0112	REG CLASSIFIED SALARIES	\$46,030	\$0	\$50,000	\$50,000
4XX.0000.0113	REG ADMIN SALARIES	\$207,234	\$104,502	\$175,000	\$175,000
4XX.0000.0200	EMPLOYEE BENEFITS	\$34,486	\$44,728	\$45,000	\$45,000
4XX.0000.0213	PERS UAL CONTRIBUTION	\$18,173	\$0	\$20,000	\$20,000
4XX.0000.0216	PERS EMPLOYER-TIER III	\$4,455	\$0	\$0	\$0
4XX.0000.0220	SOCIAL SECURITY ADMIN	\$18,330	\$0	\$23,000	\$23,000
4XX.0000.0231	WORKERS' COMPENSATION	\$1,025	\$0	\$1,200	\$1,200
4XX.0000.0232	UNEMPLOYMENT COMPENSATION	\$237	\$0	\$300	\$300
4XX.0000.0241	DISABILITY INSURANCE	\$902	\$0	\$1,000	\$1,000
4XX.0000.0242	MEDICAL INSURANCE	\$11,524	\$0	\$20,000	\$20,000
4XX.0000.0243	LIFE INSURANCE	\$325	\$0	\$400	\$400
4XX.0000.0244	EMPLOYEE ASSISTANCE	\$28	\$0	\$0	\$0
4XX.0000.0245	TRAVEL ALLOWANCE	\$2,592	\$0	\$2,700	\$2,700
4XX.0000.0246	DENTAL INSURANCE	\$960	\$0	\$700	\$700
4XX.0000.0248	VISION INSURANCE	\$91	\$0	\$100	\$100
4XX.0000.0251	ADMIN FLEX BENEFIT	\$17,200	\$0	\$20,000	\$20,000
4XX.0000.0254	COMMUNICATIONS STIPEND	\$679	\$0	\$1,000	\$1,000
4XX.0000.0322	REPAIR & MAINTENANCE	(\$73,196)	\$0	\$0	\$0
4XX.0000.0324	RENTAL EXPENSE	\$1,740	\$1,740	\$0	\$0

ACCOUNT	DESCRIPTION	2014-15 ACTUAL	2015-16 ACTUAL	2016-17 ADOPTED	2017-18 APPROVED
4XX.0000.0340	TRAVEL	\$0	\$0	\$0	\$0
4XX.0000.0351	TELEPHONE	\$0	\$0	\$0	\$0
4XX.0000.0354	ADVERTISING	\$0	\$0	\$0	\$0
4XX.0000.0355	PRINTING & BINDING	\$1,342	\$2,092	\$0	\$0
4XX.0000.0383	ARCHITECT/ENGINEER SERVCS	\$0	\$0	\$10,000	\$10,000
4XX.0000.0390	OTHER GEN PROF & TECH SRV	\$94,192	\$62,233	\$0	\$0
4XX.0000.0410	SUPPLIES & MATERIALS	\$1,231	\$0	\$1,000	\$1,000
4XX.0000.0420	TEXTBOOKS	\$0	\$0	\$0	\$0
4XX.0000.0460	NON-CONSUMABLE ITEMS	\$4,100	\$0	\$28,800	\$28,800
4XX.0000.0461	<\$5000 EQUIPMENT	\$93,691	\$0	\$100,000	\$100,000
4XX.0000.0470	COMPUTER SOFTWARE	\$1,150	\$715	\$0	\$0
4XX.0000.0480	COMPUTER HARDWARE	\$6,533	\$0	\$0	\$0
4XX.0000.0481	<\$5000 COMPUTER HARDWARE	\$13,273	\$0	\$0	\$0
4XX.0000.0510	LAND ACQUISITION	\$2,402,163	\$0	\$0	\$0
4XX.0000.0520	BUILDINGS ACQUISITION	\$0	\$0	\$500,000	\$0
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	\$0	\$0	\$0	\$0
4XX.0000.0610	REDEMPTION OF PRINCIPAL	\$352,756	\$368,962	\$0	\$0
4XX.0000.0621	INTEREST	\$57,707	\$41,501	\$0	\$0
4XX.0000.0670	TAXES & LICENSES	\$0	\$0	\$0	\$0
4XX.0000.0790	TRANSFERS	\$0	\$0	\$0	\$0
4XX.0000.0810	PLANNED RESERVE	\$2,865,765	\$2,245,329	\$0	\$0
TOTAL EXPENDITURES		\$6,186,718	\$2,871,800	\$1,500,200	\$1,000,200



INTERNAL SERVICE FUND

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

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

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

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

INTERNAL SERVICE FUND RESOURCES AND EXPENDITURES

ACCOUNT	DESCRIPTION	2014-15 ACTUAL	2015-16 ACTUAL	2016-17 ADOPTED	2017-18 APPROVED
RESOURCES					
XXX.0000.1990	MISCELLANEOUS REVENUE	\$0	\$0	\$0	\$0
XXX.0000.5200	INTERFUND TRANSFER	\$0	\$500,000	\$0	\$0
XXX.0000.5400	BEGINNING FUND BALANCE	\$1,500,000	\$1,500,000	\$2,000,000	\$2,000,000
TOTAL RESOURCES		\$1,500,000	\$2,000,000	\$2,000,000	\$2,000,000
EXPENDITURES					
XXX.0000.0790	TRANSFER TO GENERAL FUND	\$0	\$0	\$0	\$1,000,000
XXX.0000.0820	PERS RESERVE	\$1,500,000	\$2,000,000	\$2,000,000	\$1,000,000
TOTAL EXPENDITURES		\$1,500,000	\$2,000,000	\$2,000,000	\$2,000,000

**BUDGET SUMMARY****100 GENERAL FUND \$218,613,056****SPECIAL REVENUE FUNDS**

140	ENERGY EFFICIENT SCHOOLS SB 1149	\$327,340
141	OREGON FIRST ROBOTICS	\$15,000
146	ENHANCEMENT IDEA	\$12,800
154	CONFUCIUS CLASSROOM	\$20,000
161	CHESS FOR SUCCESS	\$10,100
164	ASPIRE	\$5,000
168	EXTENDED ASSESSMENT	\$9,000
169	MEDICAID ADMINISTRATION CLAIMING	\$625,000
170	CONSTRUCTION EXCISE TAX	\$3,000,000
173	MENTOR GRANT	\$306,000
192	STUDENT BODY FUNDS	\$4,687,030
196	SYSTEMS PERFORMANCE REVIEW	\$11,500
198	OREGON DEPARTMENT OF HUMAN SERVICES	\$138,000
199	REGIONAL AUTISM SERVICES	\$545,000
202	HILLSBORO SCHOOLS FOUNDATION	\$75,000
203	TITLE I SUMMER MIGRANT	\$280,000
205	TITLE VI	\$23,000
208	TITLE IA/IMPROVING AMERICA'S SCHOOLS ACT (IASA)	\$3,576,000
212	TITLE IC (MIGRANT)	\$506,000
213	TITLE IC PRESCHOOL-MIGRANT	\$43,000
215	FOCUS GRANTS	\$56,600
218	TITLE III	\$450,000
220	M98 CCR AND DROP-OUT PREVENTION	\$3,000,000
221	TITLE IIA IMPROVE TEACHER QUALITY	\$530,000
222	TITLE I/PERKINS VOCATIONAL TECHNOLOGY	\$185,000
225	SECONDARY CAREER PATHWAYS	\$220,000
226	MY FUTURE MY CHOICE	\$33,000
231	IDEA (PL 101-476)	\$2,945,000
242	MCKINNEY VENTO	\$60,000
245	CCD/TEEN MOM GRANT	\$320,000
246	WORK SYSTEMS SUMMER PROGRAM	\$438,000
259	PHYSICAL EDUCATION EXPANSION K-8	\$50,000
270	NIKE GRANT	\$270,000
275	DONATIONS FUND	\$1,250,000



277	NUTRITION SERVICES FUND (formerly 217 and 500)	\$9,476,000
283	SYNOPSIS	\$35,000
284	WASHINGTON COUNTY-FAMILY RESOURCE CENTER	\$180,000
286	INTEL FOUNDATION GRANTS	\$40,000
288	KINDERGARTEN PARTNERSHIP GRANT	\$200,000
289	PRE-SCHOOL PROMISE GRANT	\$115,000
299	TRANSPORTATION EQUIPMENT FUND	\$1,500,000
	Total Special Revenue Funds	\$35,568,370

DEBT SERVICE FUNDS

300	HSD 1 DEBT SERVICE FUNDS	\$44,556,974
	Total Debt Service Funds	\$44,556,974

CAPITAL PROJECTS FUNDS

4XX	CONSTRUCTION FUND-2006	\$1,000,200
	Total Capital Projects Funds	\$1,000,200

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		\$301,738,600
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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 that 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, but ended up having to cut an additional \$15 million when the state was unable 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 2009-2011 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; 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 in 2010-11 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. 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” (substitutes, 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 for Kindergarten to 26:1, Grades 1 and 2 to 28:1, and 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, and 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, which 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 believed that annual adjustments to SSF estimates would bring us back to a break-even state by that time.

2016-17 (-\$2.33 million)

In 2016-17 school year, the District continued to feel the effects of a still-volatile economy. Modifications to the laws around Gain Share meant that the District would no longer receive

“pass-through” money of approximately \$1.2 million per year from the City and County. Although 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.

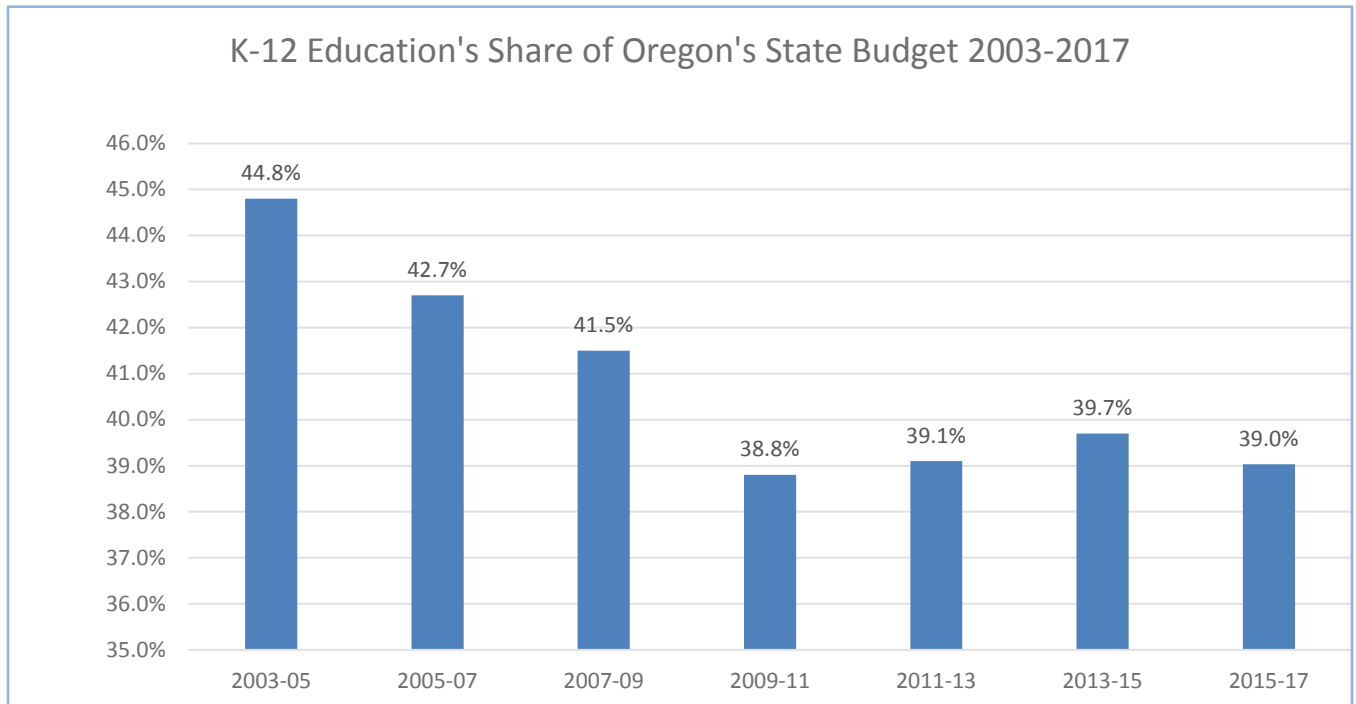
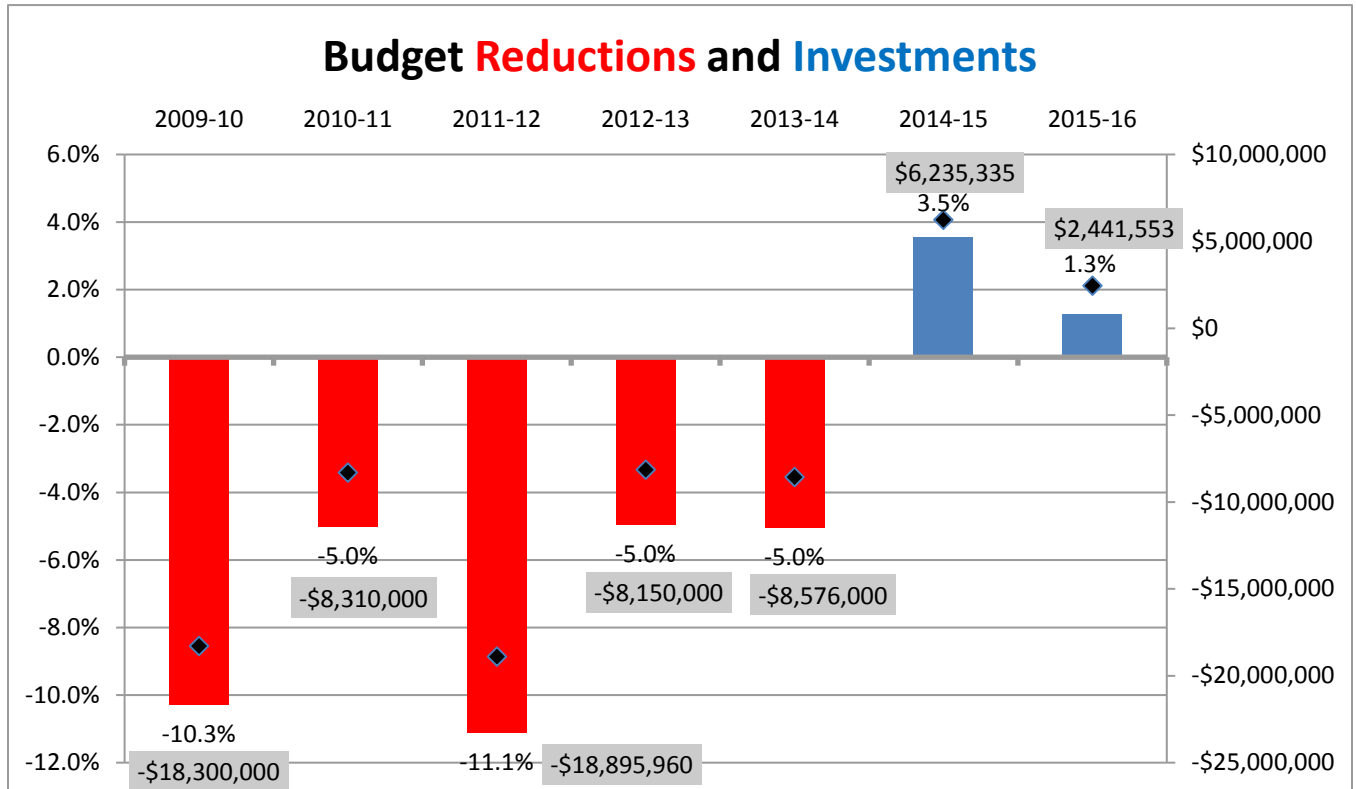
The District secured three-year licensed and classified employee group contracts in 2015-16, which provided a measure of certainty when budgeting. Negotiated increases in the contracts included an annual cost-of-living adjustment (COLA) and an insurance cap increase (total value equivalent to 3 percent COLA and \$25/month/year insurance cap increase).

The 2016-17 budget contained costs by aligning the staffing ratio with actual enrollment (loss of 14.42 licensed FTE positions), and reducing district-level department budgets (discretionary) by 2 percent. We added 2.0 FTE classified custodial positions, to reduce the pressure on some of our buildings with half-time night custodians. The net reductions/savings were 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



HILLSBORO SCHOOL DISTRICT 1J
June 13, 2017
REVIEW SUPERINTENDENT'S PERFORMANCE AND
APPROVE PERFORMANCE EVALUATION

SITUATION

The Board of Directors met to conduct an evaluation of the Superintendent's performance in accordance with Policy CBG: Evaluation of the Superintendent on April 4, April 25, May 9, and May 23.

The Board determined that the Superintendent's performance met or exceeded all of the performance goals and objectives established by the Board for 2016-17.

RECOMMENDATION

The Board commends the Superintendent for his leadership of the Hillsboro School District, and directs that the evaluation letter be placed in his personnel file.



BOARD OF DIRECTORS
3083 NE 49TH Place, #200
Hillsboro OR 97124-6008
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June 13, 2017

Superintendent Mike Scott
Hillsboro School District 1J
3083 NE 49th Place
Hillsboro, OR 97124

Re: Annual Board of Directors' Evaluation of Performance

Dear Superintendent Scott,

The Hillsboro School District (HSD) Board of Directors has completed your evaluation for 2016-17, according to policy CBG: Evaluation of the Superintendent. This year's standards-based model included a Board survey and a self-evaluation that examined your leadership and operational performance. In your eighth year as Superintendent, you continue to be an excellent, respected leader throughout our District and community.

You were evaluated on eight standards for Superintendent performance: 1) *Leadership and Culture*; 2) *Policy and Governance*; 3) *Communication and Community Relations*; 4) *Organizational Management*; 5) *Facilities and Technology Management and Planning*; 6) *Instructional Leadership*; 7) *Human Resources Management*; and 8) *Values and Ethics of Leadership*. The Board used a four-point rating scale with the following descriptive terms: Exceeding, Proficient, Developing, and Does Not Meet.

Superintendent Scott, we, the Board of Directors of the Hillsboro School District, want to thank you for a truly outstanding year. Building on your highly proficient performance and growth in past years, you have improved your performance this year in **all eight** standards, while exceeding expectations and achieving career-high performance levels in **six** of them. You reported that this was the most professionally challenging year of your career. It's clear that you've risen to those challenges and performed exceptionally. We would like to recognize you here with a few examples of your successes, and begin charting a course for outstanding years to come.

Mike, as the Superintendent, you have consistently demonstrated strong and effective leadership of the Hillsboro School District and have clearly communicated your vision of educational excellence. A particularly moving example of this was your organization of this year's District All-Staff Kickoff event in August. The message was that "every student is one caring adult away from being a success story," and that it is every staff member's job to get to know students individually by their name, strength, and need. You encouraged staff to pause from their routines, make real connections with students, and build relationships. This, more than anything, will build a foundation for success for every student in the Hillsboro School District.

We appreciate your style of leadership-by-example at all levels of District engagement. You work collaboratively with your administrative team to learn and grow together. You routinely use student achievement data and teacher feedback to evaluate processes to improve instruction. You have created Academic Conference for principals to focus on improving student achievement and outcomes in their individual schools. You regularly meet with principals and visit classrooms to inform yourself on best practices and provide praise to individual teachers. You meet with student groups to hear their voices in important discussions, and you have created a Board and Superintendent Student Input Team to formalize a communication channel for student voice back to the administration and Board. You lead by example when you are honest with staff and admit that we don't always get every decision right. You lead by example when you challenge all of us to stop and build a relationship with a student. You lead by example when you make time yourself to individually mentor a student and encourage your staff to do the same.

Mike, we applaud your efforts to spend more time engaging the community. Thank you for your continued work with the City of Hillsboro, the Hillsboro Chamber of Commerce, the Hillsboro Schools Foundation, the Hillsboro Rotary and Optimists Clubs, Creciendo Juntos, the United Way, NW Promise, and many others. You have engaged individual community members through coffee chats, forums, and other city meetings. Sponsorship of the District "Proud to be HSD" festival in downtown Hillsboro is another amazing connection that reaches a broadly diverse group of community members to show them how community support directly impacts the lives of students and community members. And through the College and Career Pathway work, your team has brought countless partners to the table to benefit Hillsboro students. Through your leadership, the Hillsboro School District is widely regarded at the state level as a model for programs of educational excellence. Please continue this excellent work at local and state levels, and do what you can to better convey to legislators the local consequences of state-wide legislative policies.

It has been a uniquely challenging year for the Hillsboro School District. The District once again faces a significant budget shortfall due to reduced state funding. At the same time, the District is faced with growth in coming years, requiring significant investments in new facilities and building upgrades, to be funded through a future bond measure. The national political scene has created very personal student responses at several schools. Several staff communications and decisions across the District have triggered community reactions. Mike, what is important to observe here is not the occurrence of these challenges, but your response to them.

State funding challenges are not new, and you have consistently engaged the HSD Budget Committee as an integral part of the budget process. Seeking this level of regular, deep community engagement in making these crucial budget decisions is unique to the Hillsboro School District. You have supported award-winning financial leadership, HSD has been awarded full systems accreditation, and you have engaged in a Smarter School Spending review that will lead to financial benefits independent of current budget challenges.

The creation of our HSD Bond Advisory Committee is another place where many community voices have been included, both as committee members and through extensive community outreach. This has resulted in a strong and well-supported bond proposal. Where national political events created new safety concerns for students, Mike, you engaged with students in discussion and created a new venue for deeper conversations between students, staff, and

Board members. Community concerns over curriculum decisions ultimately triggered deeper discussions with parents and students on community educational values, development of student-specific curriculum options, and a common high school course catalog. The Board appreciates your desire to avoid challenges through continuous improvement processes, and it applauds you for your willingness to admit District mistakes, learn from them, take corrective action, and do so in a way that engages deeper and more meaningful conversation.

Mike, there is much to praise in your work in instructional leadership. Hillsboro School District's graduation rates continue to rise. Various programs across HSD are having significant positive impacts on students—for example, AVID (Advancement Via Individual Determination), College and Career Pathways, Big Picture at Miller Education Center, the Ethnic Studies Task Force, the expansion of Advanced Placement (AP) and Dual Credit opportunities, teachers on special assignment (TOSAs), Positive Behavior Interventions and Support (PBIS), the Classified Summit, IGNiTE (Inspiring Growth Now in Teacher Education), the Western Oregon University (WOU) Scholars Program, professional learning communities (PLCs) for teachers and for principals, PLC boot camps, and the development of new STEAM (Science / Technology / Engineering / the Arts / Math) school options. We also appreciate your new efforts to engage in curriculum discussions at the state level, by serving on an advisory group to the Oregon Department of Education (ODE) Deputy Superintendent this year. The Board applauds these efforts.

As we look forward to the coming year and its challenges, the Board asks you to intentionally seek out and develop appreciation for alternative viewpoints among Board members, administrators, staff, and community members. Invite input that reflects these perspectives early in the decision-making process. Continue implementing systemic changes to District processes that are inclusive, build confidence, and establish trust with staff, students, and the community. Track and report back on the effectiveness of individual programs toward our District mission to educate all learners. And – probably most importantly – as our District's academic leader, be the strongest advocate for what you know needs to be accomplished, actively advocating your position on critical issues.

Integrity, a strong moral compass, ethical leadership, and compassion for all are the most important qualities of a true and valued leader. Mike, you embody these characteristics in all that you do. We, the Board of Directors of the Hillsboro School District, are proud to have you as our District Superintendent. You have our respect. Thank you for your dedicated service to the students of Hillsboro. We are "Proud to be HSD", and we are proud to serve with you. We thank you for your consistent leadership and dedication to engage and challenge all learners to ensure academic excellence.

Sincerely,

Wayne Clift, Board Chair
Glenn Miller, Vice Chair
Monte Akers
Lisa Allen
Erik Seligman
Janeen Sollman
Kim Strelchun

HILLSBORO SCHOOL DISTRICT 1J
June 13, 2017
APPROVE EXTENSION OF SUPERINTENDENT'S CONTRACT

SITUATION

In accordance with Policy CBC: Superintendent's Contract and Benefits, the terms and conditions of the Superintendent's appointment are included in a written contract that meets the requirements of state law and is mutually acceptable to the Board and Superintendent. The Board is scheduled to approve an extension of the Superintendent's contract during the June 13, 2017, regular Board meeting session.

RECOMMENDATION

The Superintendent recommends that the Board of Directors approve the following resolution:

Be it resolved that the Hillsboro School District Board of Directors approves the 2017-18 individual contract with the Superintendent, with a one-year extension through June 30, 2020.

HILLSBORO SCHOOL DISTRICT 1J
June 13, 2017
ADOPT PHYSICS INSTRUCTIONAL MATERIALS

SITUATION

In accordance with policy IIA-AR, the Office for School Performance facilitates teams of teachers, students, parents, community members, and administrators to improve instructional programs, develop curriculum, and make recommendations to the Board regarding the adoption of instructional materials within each academic content area.

This year, the Science Study Team is focused on identifying instructional materials for kindergarten through 9th grade science courses that support the Next Generation Science Standards. The Science Study Team has piloted materials in ninth grade Physics 1 classrooms at Glencoe and Liberty High Schools, and is prepared to implement Physics 1 at all high schools in the 2017-18 school year.

Supporting the Science Study Team in the process of developing this recommendation were students, parents, science teachers, curriculum leaders, and administrators at the schools and District office. Feedback from students, teachers, staff, parents, and the Citizens' Curriculum Advisory Committee (CCAC) was elicited and used in making the final recommendation.

Physics A First Course and *Pattern Physics*, the recommended Physics 1 instructional materials, were reviewed by the CCAC, and made available for public review and comment. The first reading of the Physics 1 recommendation was presented during the May 23 Board meeting, together with a recommendation for a complementary investment in instructional technology. No comments were received during the Board review period.

RECOMMENDATION

The Superintendent recommends that the Board of Directors adopt *Physics A First Course* texts (and digital access) and *Pattern Physics* as the core instructional materials for Physics 1, and approve the proposed complementary investment in instructional technology.

HILLSBORO SCHOOL DISTRICT 1J
June 13, 2017
APPROVE 2017-18 BOARD MEETING DATES

SITUATION

The Board annually sets the schedule of Board meeting dates for the upcoming school year. Board meetings are usually held on the second and fourth Tuesdays of the month, with some exceptions to accommodate school breaks. The recommended Board meeting dates for the 2017-18 school year are listed below for Board approval. Staff have reached out to newly elected Board members to confirm their availability.

July 11, 2017	Regular Session
July 31, 2017	Full-Day Session
September 12, 2017	Work Session
September 26, 2017	Regular Session
October 10, 2017	Work Session
October 24, 2017	Regular Session
November 14, 2017	Regular Session
December 12, 2017	Regular Session
January 9, 2018	Work Session
January 23, 2018	Regular Session
February 13, 2018	Work Session
February 27, 2018	Regular Session
March 13, 2018	Regular Session
April 10, 2018	Work Session
April 24, 2018	Regular Session
May 8, 2018	Work Session
May 22, 2018	Regular Session
June 12, 2018	Regular Session

In addition, the following dates are set aside for Budget Committee meetings to consider the 2018-19 Proposed Budget:

May 3, 2018	May 10, 2018 (if needed)
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RECOMMENDATION

The Superintendent recommends that the Board of Directors approve the Board meeting dates for the 2017-18 school year.

HILLSBORO SCHOOL DISTRICT 1J
June 13, 2017
DECLARE SURPLUS EQUIPMENT AND
AUTHORIZE DISPOSAL BY PUBLIC AUCTION

SITUATION

School Board Policy DN: Disposal of District Property requires the Board to declare District property as surplus and authorize its disposal when such property is no longer useful to the District, unsuitable for use, too costly to repair, or obsolete.

District Nutrition Services and Facilities staff have assembled a list of items that they would like to have the Board declare surplus and authorize their disposal by public auction. The items on this list are no longer useful to the District, but may have some value at auction.

RECOMMENDATION

The Superintendent recommends that the Board of Directors declare the attached list of items surplus, and authorize their disposal by public auction.

ITEMS TO BE DECLARED SURPLUS

- Victory freezer, 3-door
- Victory refrigerator, 2-door
- Delfield / ALCO Freezer, 3-door
- Cres Cor refrigerated cabinet
- Crown Verity stainless steel food service cart, model # CVCC
- GE 2-burner hot plate
- Hobart mixer
- Hobart dishwasher
- (6) bread racks
- Delfield / ALCO Freezer, 3-door
- Electronics cabinet
- Chemical emergency shower
- Dust collector
- Drill press
- Band saw, horizontal
- Band saw, vertical
- Shaper, large
- Shaper, small
- Radial arm saw
- Radial arm saw, bench model
- Air compressor, 5 HP
- (8) String trimmers, gas-powered
- (2) Hedgers, gas-powered
- (4) pallets of ink jet paper, 8.5" x 11," mixed weight and sheen
- Gas edger

HILLSBORO SCHOOL DISTRICT 1J
June 13, 2017
APPROVE CHANGES IN WORKERS' COMPENSATION COVERAGE

SITUATION

Effective July 1, 2017, the District will be moving its workers' compensation policy to a new carrier, and paying approximately \$100,000 less than the current premium. Board members will continue to be covered under the District's workers' compensation policy for any injuries they sustain while performing their authorized duties as elected officials. For injuries that may occur to other volunteers (including student volunteers, classroom volunteers, parents volunteering for activities, etc.), if the District is liable, the District's Property and Casualty Coverage for Education (PACE) liability policy will cover the District. Continuing to cover all volunteers under the District's workers' compensation policy would require the development of an elaborate tracking system that would be universal across all work locations in the District, and would require a significant investment of funds and staff time to establish and maintain.

The District's insurance carrier requires Board approval on this decision prior to July 1, in order for the change to be effective for the 2017-18 school year.

RECOMMENDATION

The Superintendent recommends that the Board of Directors approve the resolution regarding coverage of District volunteers under workers' compensation.

**WORKERS' COMPENSATION RESOLUTION REGARDING VOLUNTEERS OF
HILLSBORO SCHOOL DISTRICT**

WHEREAS the Hillsboro School District elects the following:

Pursuant to ORS 656.031, workers' compensation coverage will be provided to the classes of volunteer workers as indicated below (checked "Applicable") and listed on the attached Volunteer Election Form(s).

Board Members

Applicable ☒

Not Applicable ☐

Public Officials on unpaid boards will be covered only for administrative and clerical functions while performing their authorized duties as elected officials.

Public Safety Volunteers

Applicable ☐

Not Applicable ☒

Public Safety Volunteers are covered at the assumed monthly wage indicated on the attached Volunteer Election Form(s).

Other Volunteers

Applicable ☐

Not Applicable ☒

Non-public safety volunteers and board members volunteering for duties other than administration and clerical functions will use the Volunteer Election Form(s) to keep track of their hours and have their assumed payroll reported in the correct Class Code for all their types of work using Oregon minimum wage.

A roster of active board member volunteers will be kept monthly for reporting purposes and submitted to SAIF upon request.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of HILLSBORO SCHOOL DISTRICT to provide workers' compensation coverage as indicated above.

ADOPTED by the Board of Directors of HILLSBORO SCHOOL DISTRICT on June 13, 2017.

Wayne Clift, Chair, Board of Directors

Attested By: _____

Mike Scott, Superintendent

Date

HILLSBORO SCHOOL DISTRICT 1J
June 13, 2017
AWARD CONSTRUCTION MANAGEMENT SERVICES
REQUEST FOR PROPOSALS

SITUATION

On May 1, the District published a Request for Proposals (RFP) for Construction Management Services in the Daily Journal of Commerce, the Hillsboro Tribune, and the Oregon Procurement Information Network (ORPIN). The purpose of this RFP was to solicit firms that would be interested in managing the \$408 million bond program approved by the Hillsboro School District Board of Directors during the May 23 Board meeting.

Services to be provided by the successful firm, as detailed in Attachment A ("Basic Services") of the RFP include planning; budget and schedule development; training and standards; outreach; labor compliance; information management; environmental review; and assistance through the design, bid and award, construction, commissioning, and post-construction phases of the program.

A mandatory pre-proposal meeting was held on May 10, 2017, and was attended by 13 firms. The RFP opening was held at 2:00 p.m. on May 30, 2017, and four (4) responsive proposals were received. The responsive proposers were Mears CPM LLC, Wiser Construction Management Group, Heery International, and Cornerstone Management Group. These RFPs were reviewed, evaluated, and scored by Adam Stewart, Chief Financial Officer; Casey Waletich, Executive Director of Safety, Facilities, and Operations; and Jim Peterson, Facilities Coordinator. The scoring matrix includes the total score awarded to each respondent and the individual evaluator scores. The RFP and scoring matrix will be available for review.

Based on this evaluation, it is recommended that the Hillsboro School District Board of Directors award the contract for construction management services for the November 2017 bond program to Cornerstone Management Group.

RECOMMENDATION

The Superintendent recommends that the Board of Directors contract with Cornerstone Management Group to provide construction management services for the November 2017 bond program, and authorize the Chief Financial Officer to execute contract documents.

HILLSBORO SCHOOL DISTRICT 1J
June 13, 2017
APPROVE PARTICIPATION IN THE
OREGON SCHOOL BOARDS ASSOCIATION
PROMISE SCHOLARSHIP PROGRAM

SITUATION

This spring, Oregon School Boards Association (OSBA) announced an opportunity for nine Oregon school districts to participate in the 2017-18 OSBA Promise Scholarship Program, to obtain in-depth school leadership training, and receive \$5000 in scholarship money for District students, upon the Board's completion of the program.

The program consists of the following components, to be completed by June 1, 2018:

- Superintendent evaluation
- Board self-evaluation
- Boardsmanship training series
- Board project (HSD's selected project is community engagement)

During the May 23 Board work session, Board members (and Board members-elect who were in attendance) discussed this opportunity, and expressed their interest in participating. Tonight, the Board will take official action on the decision to participate in the program.

RECOMMENDATION

The Superintendent recommends that the Board of Directors approve the decision to participate in the OSBA Promise Scholarship Program during the 2017-18 school year.