

# Update on D-BRAC Process to PPS School Board

Tuesday, December 13, 2016

## DBRAC's Focus for Fall 2016 - Memo to I.S. McKean November 2016

**D-BRAC accepted the charge from I.S. McKean to focus on Ockley Green and Feeder School enrollment balancing in Fall 2016:**

*"In November, DBRAC will consider enrollment data and engage with the community to develop recommendations for adjusting Ockley Green Middle School feeder patterns. We will hold a Saturday working session on November 5th, engage in outreach to this community, and hear public comment at each Wednesday evening meeting."*

**Goal: Provide recommendations to you regarding Ockley Green and feeder schools in December.**

## Our Process to Date

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### **1. Reviewed and Evaluated Staff Options**

## Three Possible Options for 2017-18 School Year

**Option "A"** - Propose boundary changes to align with major roads and thoroughfares in Ockley Green MS and K-5 feeder school communities

Initial deliberations indicate:

We have expressed interest in pursuing this option with a number of amendments.

Staff have responded to our data requests and developed alternatives to Option "A" that we continue to evaluate. Staff plan to provide additional information to us at our meeting on 12/14.

## Three Possible Options for 2017-18 School Year

**Option "B"** - Propose to re-locate the Spanish Immersion program at Beach K-5 to Chief Joseph K-5 and additional boundary changes to balance enrollment across schools.

Initial deliberations indicate:

DBRAC will unlikely recommend moving forward on this proposal at this time.

We will revisit the issue of co-located DLI programs after we receive recommendations from the DLI Expansion Committee and Education Options Committee on siting existing and future DLI programs on the East Side.

## Three Possible Options for 2017-18 School Year

### **Option "C"** - Individual student assignment plan

Initial deliberations indicate: There is interest in looking at an alternative model to student assignment, but it should be pursued on a larger scale, not applied as a test model to one community.

## Our Process to Date

1. Reviewed and Evaluated Staff Options -
- 2. Gathered community feedback**

## Community Engagement

**Goal: Offer an opportunity at Ockley Green and each of the feeders schools for families to provide feedback**

Strategies:

Meet with families at school events already scheduled - PTA meetings, Principal Coffee's, Culturally-specific parent nights

Partner with community organizations to share information, collect feedback

Collect input through public comment at DBRAC meetings, e-mails and surveys

## Community Engagement

**Overarching Goal:** Offer an opportunity at Ockley Green and each of the feeders schools for families to provide feedback

•Strategy: Meet with families at school events already scheduled

•Results: 8 meetings across 5 schools, 200+ participants

– Notes, presentations, answers to Q&A online

– DBRAC verbal summary included in 11/21 meeting minutes



## Community Engagement

**Overarching Goal:** Offer an opportunity at Ockley Green and each of the feeders schools for families to provide feedback

- Strategy: Connect with partners to provide information, feedback opportunities
- Results: Tabling at BPI Symposium, Unite Oregon Seeds of Change, SEI outreach to SUN School families
- Information distributed to 200+ families to date

## Community Engagement

**Overarching Goal:** Offer an opportunity at Ockley Green and each of the feeders schools for families to provide feedback

- Strategy: Collect input through public comment at DBRAC meetings, e-mails and surveys
- Results:
  - Public comment from each meeting included in minutes
  - 15 e-mails
  - 78 surveys

## Our Process to Date

1. Reviewed and Evaluated Staff Options
2. Gathered community feedback
- 3. Identified tensions**

## Tensions Around Making Short-Term Recommendations

Short Term vs. Long-Term Solutions

Clarity Around What Problems DBRAC Could Solve:

Resolve overcrowding at Ockley Green Middle School

Resolve overcrowding at Chief Joseph School: Ensure Chief Joseph has room for the 4th grade to attend 5th grade without moving to OGMS

## Tensions Around Making Short-Term Recommendations

### Clarity Around What Problems DBRAC Could Solve:

Increase enrollment at Peninsula and Woodlawn Schools to make sure that students have access to robust and equitable programming

Address Dual Language Immersion Program Co-Location issues at Beach K-5 -

The committee has decided not to address the issue related to colocation at Beach at this time in advance of the DLI expansion report and the Ed Options review.

## Next Steps to be completed by December 23

DBRAC meeting on Wednesday, December 14th

See Additional KPIs and disaggregated data on revised options

Assess Pros/Cons on each revised option

Finalize and Submit Guidance Memorandum regarding Ockley Green Middle School and its feeder schools for the 2017-18 school year. Memo will cover:

- |  |                                 |
|--|---------------------------------|
| ● Context                                | ● Racial Equity Lens Assessment |
| ● Constraints                            | ● Listening and Learning        |
| ● Preliminary Options Developed by Staff | ● Tensions Identified           |
|  | ● Recommendations               |



Questions?

# Operating Budget Overview

DECEMBER 13, 2016





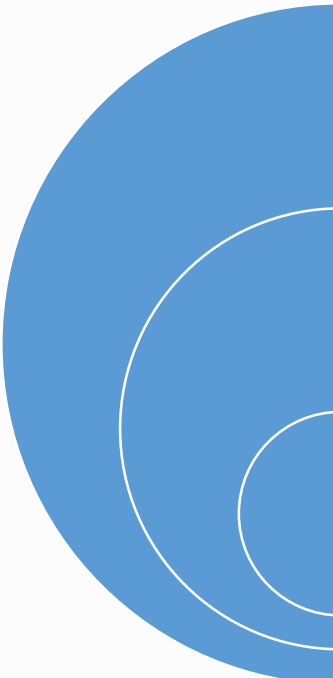
# Agenda

- Government Wide Funding – Overview and Trends
- General Fund
  - Governor’s Budget and State School Fund (“SSF”)
  - Revenue, Expenses, and Reserves
- Mid-Term Trends
- Budget Process Improvements
- Timeline and next steps



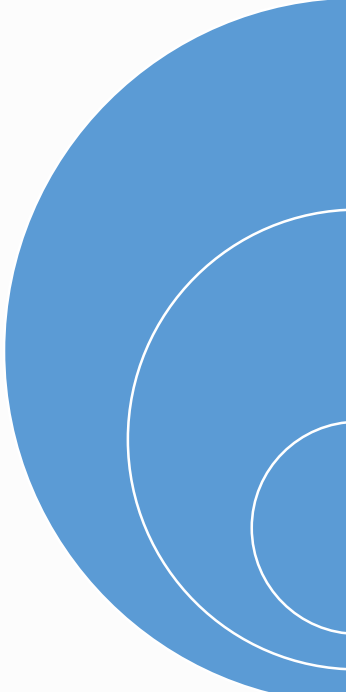
# Building a Balanced Budget

## RESOURCES (REVENUES + BEGINNING FUND BALANCE)

	State School Fund	<ul style="list-style-type: none"><li>• \$ from State</li><li>• Property Tax (under Measure 5 limits)</li></ul>
	Local Option Property Tax	<ul style="list-style-type: none"><li>• Does not impact State School Fund \$</li></ul>
	Grants, Contributions and Other	<ul style="list-style-type: none"><li>• Federal grants</li><li>• Contributions</li><li>• Other revenues</li></ul>

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## REQUIREMENTS (SPENDING + PLANNED RESERVES)

	Instruction	<ul style="list-style-type: none"><li>• Salaries &amp; Benefits for those working directly with students</li><li>• Materials, Supplies &amp; Equipment</li></ul>
	Instructional Support	<ul style="list-style-type: none"><li>• Salaries &amp; Benefits for those supporting instruction</li><li>• Materials, Supplies &amp; Equipment</li></ul>
	Administrative & Other	<ul style="list-style-type: none"><li>• Salaries &amp; Benefits</li><li>• Other Supplies &amp; Services</li><li>• Reserves per board policy</li></ul>



# Government-Wide Analysis

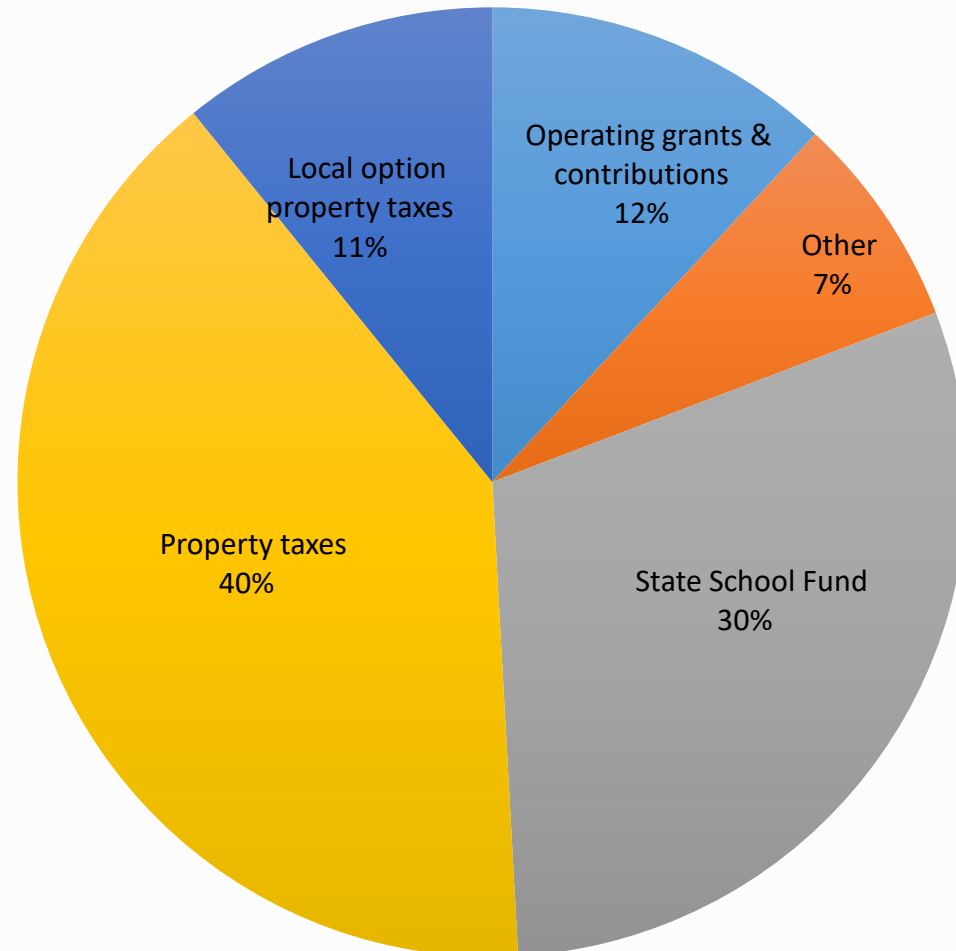
INCLUDES FUNDING FROM 1) FEDERAL GOVERNMENT, 2) STATE OF OREGON (SSF AND PROPERTY TAXES), 3) LOCAL OPTION PROPERTY TAXES, AND 4) OTHER SOURCES





# Sources of Revenue

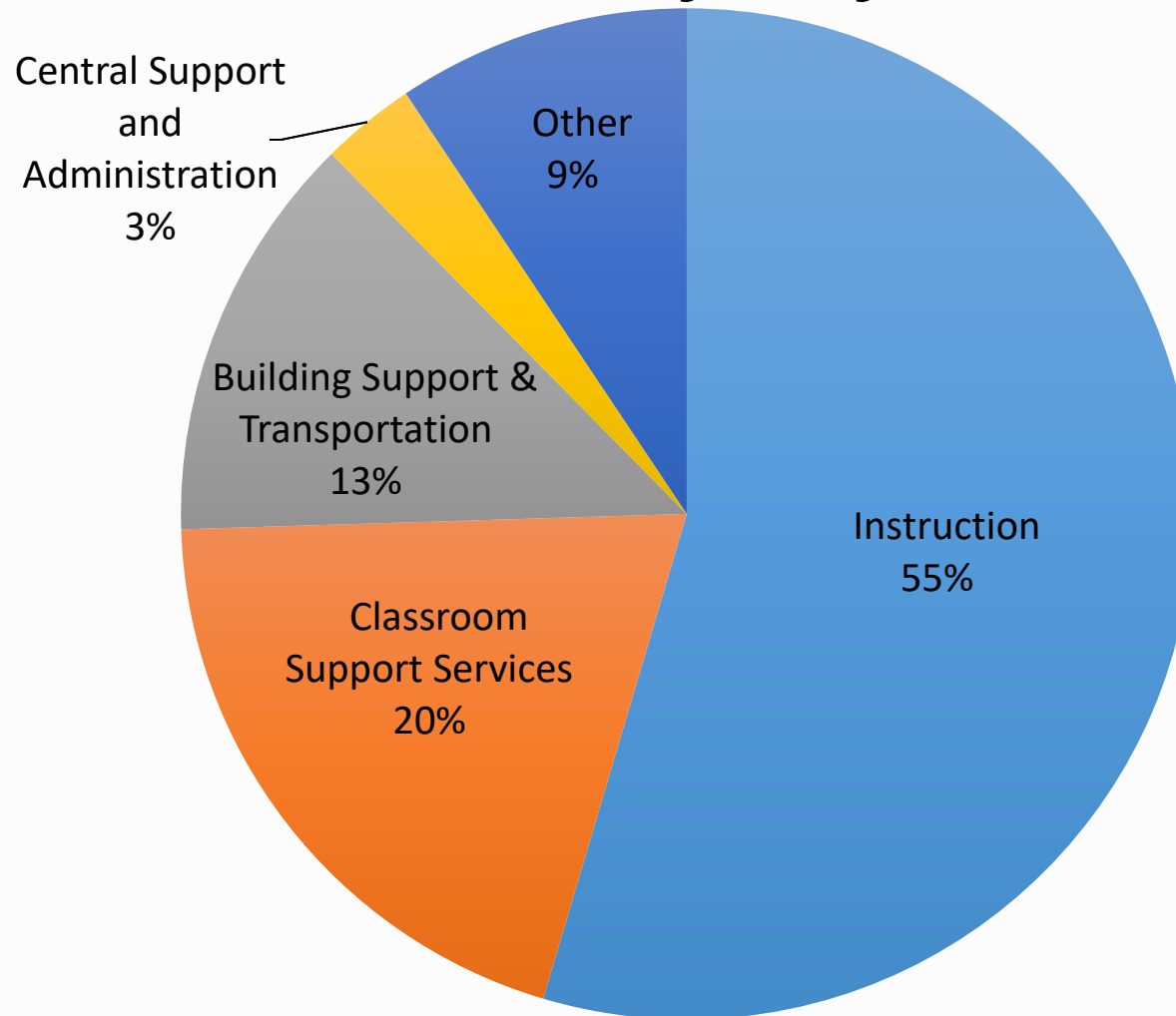
*2015-16 for Reference*





# Spending Categories

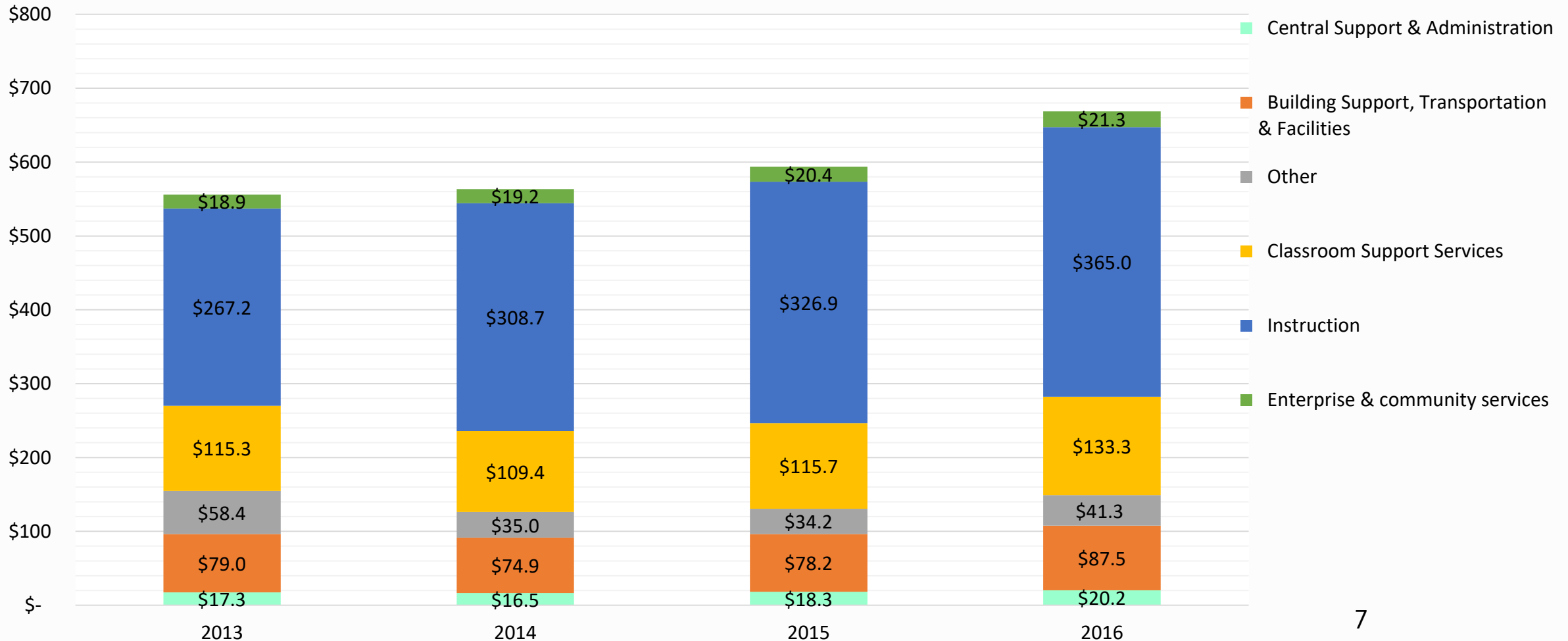
*2015-16 for Reference*





# Spending Trends over Time

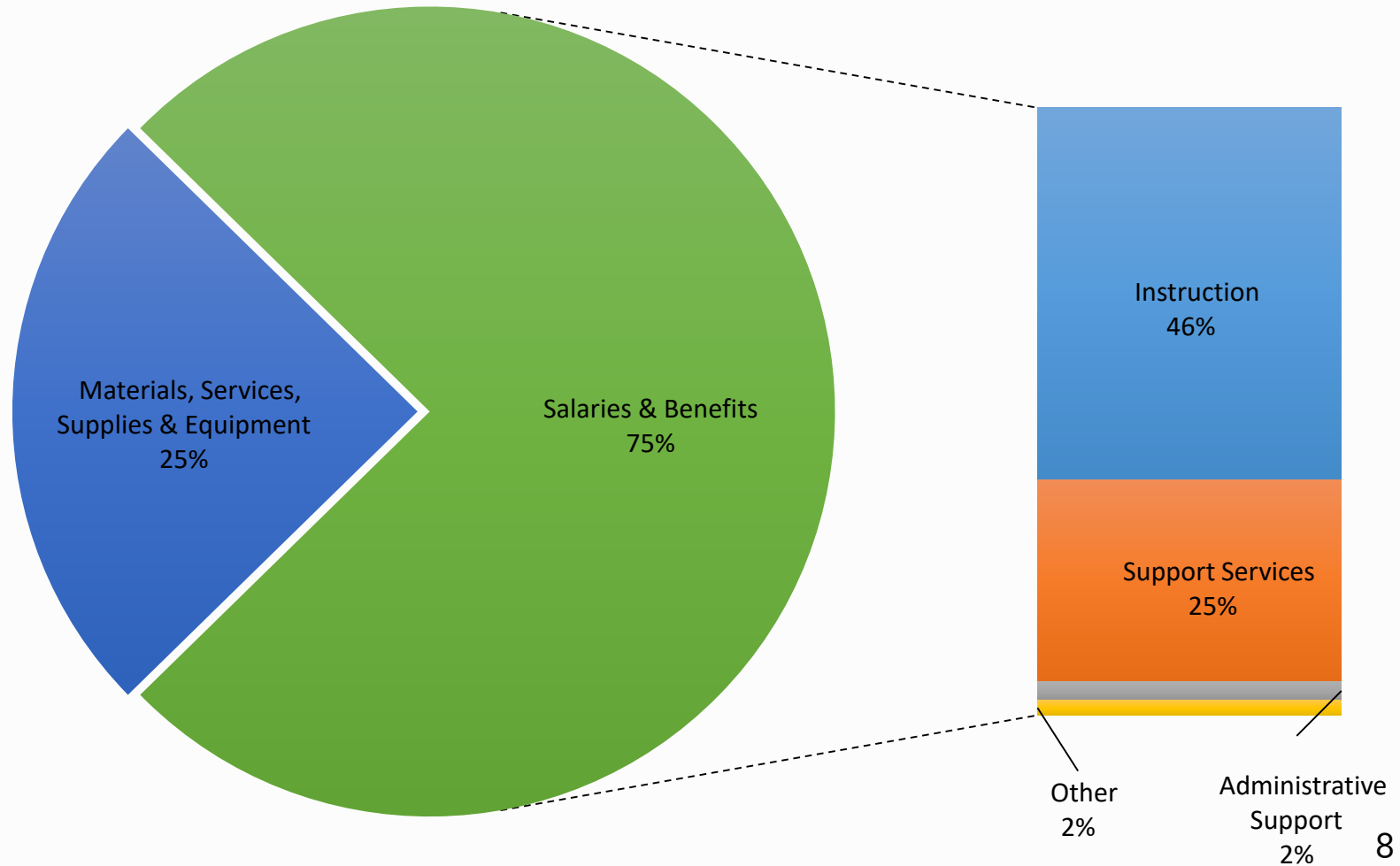
*In Millions of USD*





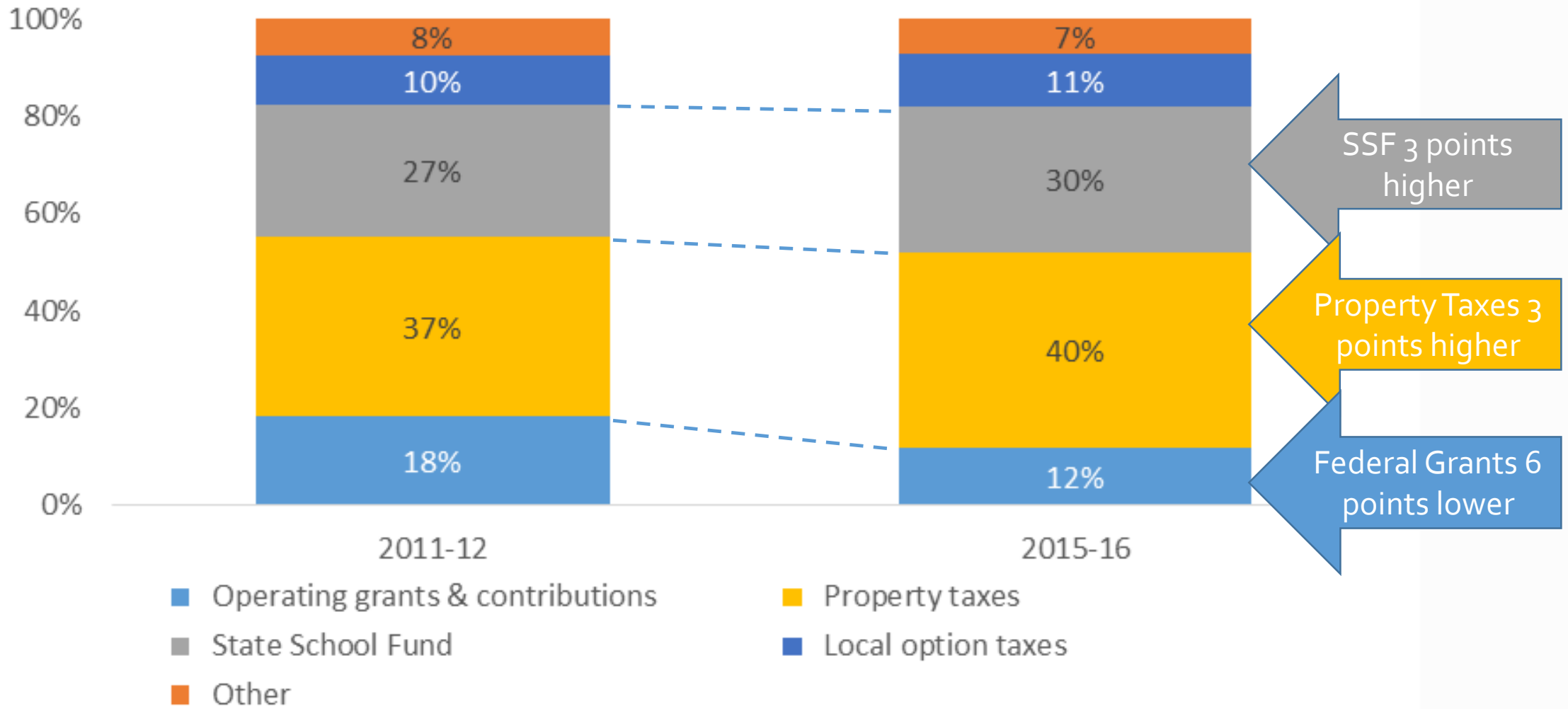
# Spending by Type

*2015-16 for Reference*





# Loss of Federal Grants Shifts Burden to State Sources





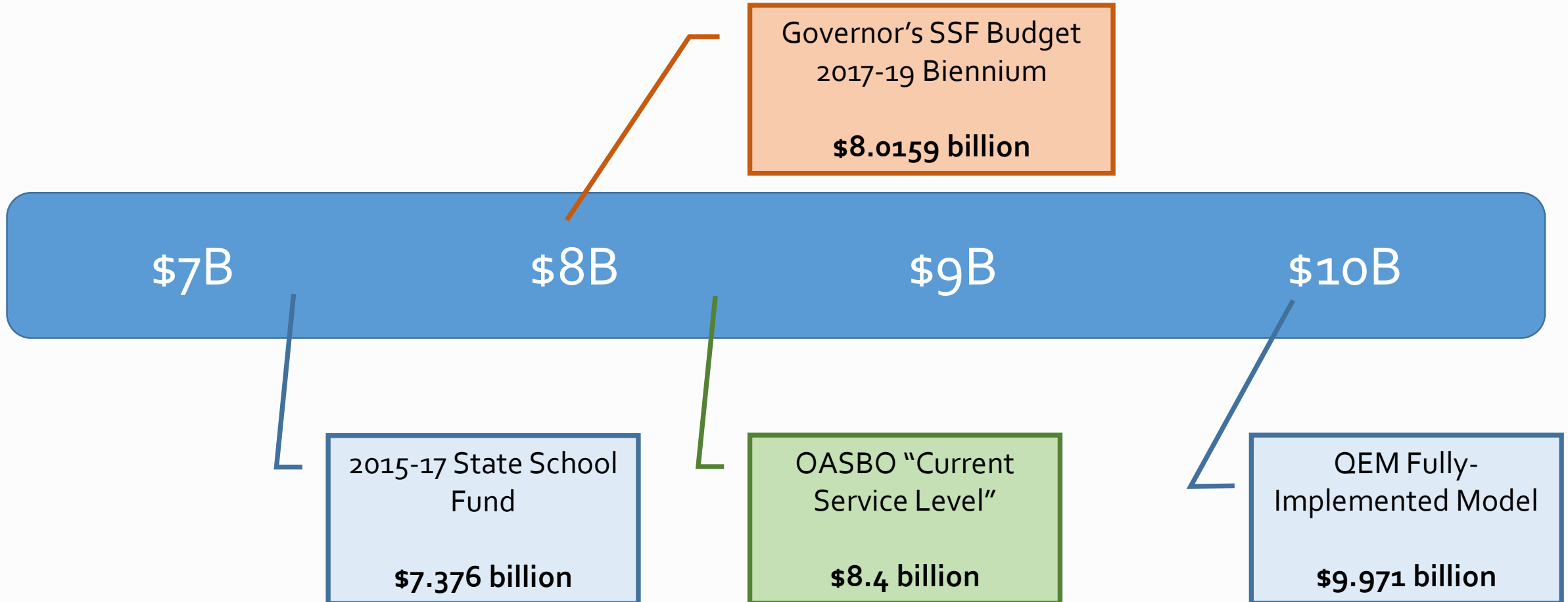


# General Fund

INCLUDES FUNDING FROM 1) STATE OF OREGON (SSF AND PROPERTY TAXES), 2) LOCAL OPTION PROPERTY TAXES, AND 3) OTHER SOURCES



# 2017-19 Funding Summary





# What Does the Governor's SSF Budget Mean to PPS?

Proposed budget for K-12 is \$8.015B

- 2017-19 biennium
- OASBO = \$8.4B
- \$640M or over 8% increase

Budget is allocated to schools through SSF

- State School Fund allocated via formula using attendance at all state schools
- Certain funds are set aside for specific programs
- Normally, 49% is allocated in the first year of the biennium

PPS Impact

- 40% of PPS General Fund from the State School Fund
- These funds are subject to equalization which is impacted primarily by property taxes received by the District

Governor's SSF Budget = \$8.0159B

2017-18 Share (49%) = \$3.928B

PPS Projected SSF Range = \$210-\$230M



# Preliminary Revenue Estimates 2017-18

*Based on Key Assumptions*

## Local Option Property Tax

- Assumes 3.5% property value increase in 2018
- **\$85-\$90M**

## GAP Property Tax

- Assumes 3.5% property value increase in 2018
- **\$23-\$25M**

## State Sources (SSF + Property Taxes)

- “Low” based on Governor’s budget; “High” based on OASBO Current Service Level
- **Low = \$450M**
- **High = \$470M**



# Oregon Measure 98

## *Dropout Prevention and College Readiness*

The governor has included one year of funding in the 2017-19 budget

Funding will be allocated to Oregon Districts based upon HS enrollment

Enrollment will be allocated using formulas similar to SSF

The budget amount to be allocated is \$140M

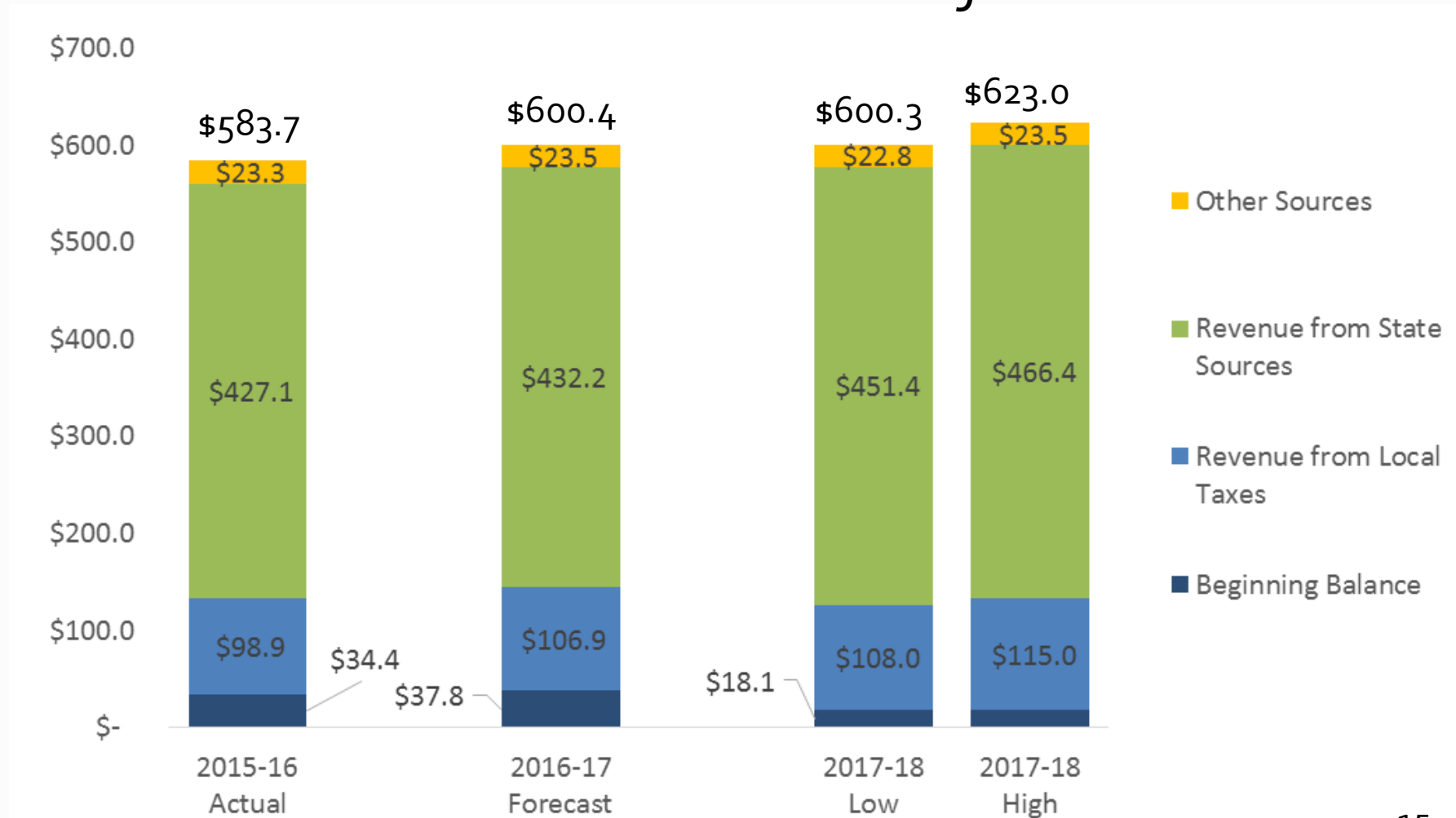
Districts will need to submit program plans to the state to draw on the funding





# Summarized Resource Trend/2017-18 Range

## General Fund in Millions of USD





# 2017-18 Revenue Range

General Fund Only  
USD in Millions

	Actual 2015-16	Forecast 2016-17	Low Scenario 2017-18	High Scenario 2017-18
<b>Beginning Balance</b>	\$ 34.4	\$ 37.8	\$ 18.1	\$ 18.1
<b>Revenue</b>				
<b>Revenue from Local Taxes</b>	\$ 98.9	\$ 106.9	\$ 108.0	\$ 115.0
<i>Increase over Previous Year</i>	17%	8%	1%	8%
Revenue from State Sources				
Property Taxes	210.0	216.7	225.4	234.1
SSF - General Support	211.3	210.5	221.0	227.3
SSF - Other	5.8	5.0	5.0	5.0
<b>Total Revenue from State Sources</b>	\$ 427.1	\$ 432.2	\$ 451.4	\$ 466.4
<i>Increase over Previous Year</i>	11%	1%	4%	8%
<b>Intermediate and Other Sources</b>	23.3	23.5	22.8	23.5
<b>Total Revenue</b>	\$ 549.3	\$ 562.5	\$ 582.2	\$ 604.9
<i>Increase over Previous Year</i>	11%	2%	3%	8%
<b>Total Resources</b>	\$ 583.7	\$ 600.4	\$ 600.3	\$ 623.0



# 2017-18 Spending Range

General Fund Only  
USD in Millions

**Forecast  
2016-17**

**Low Scenario  
2017-18**

**High Scenario  
2017-18**

## Requirements

### Instructional Expenses

Instruction

\$ 332.3

\$ 338.9

\$ 342.3

Instructional Support

216.9

220.4

225.6

**Total Instructional Expenses**

\$ 549.2

\$ 559.3

\$ 567.9

**Central Activities**

\$ 23.4

\$ 23.8

\$ 24.0

**New Requirements**

2.5

5.1

5.1

**Other Expenses**

7.2

7.3

7.5

**Contingency**

-

18.3

18.6

**Ending Fund Balance**

\$ 18.1

\$ -

\$ -

**Total Requirements**

\$ 600.4

\$ 613.9

\$ 623.1

*Increase over Previous Year*

3%

2%

4%



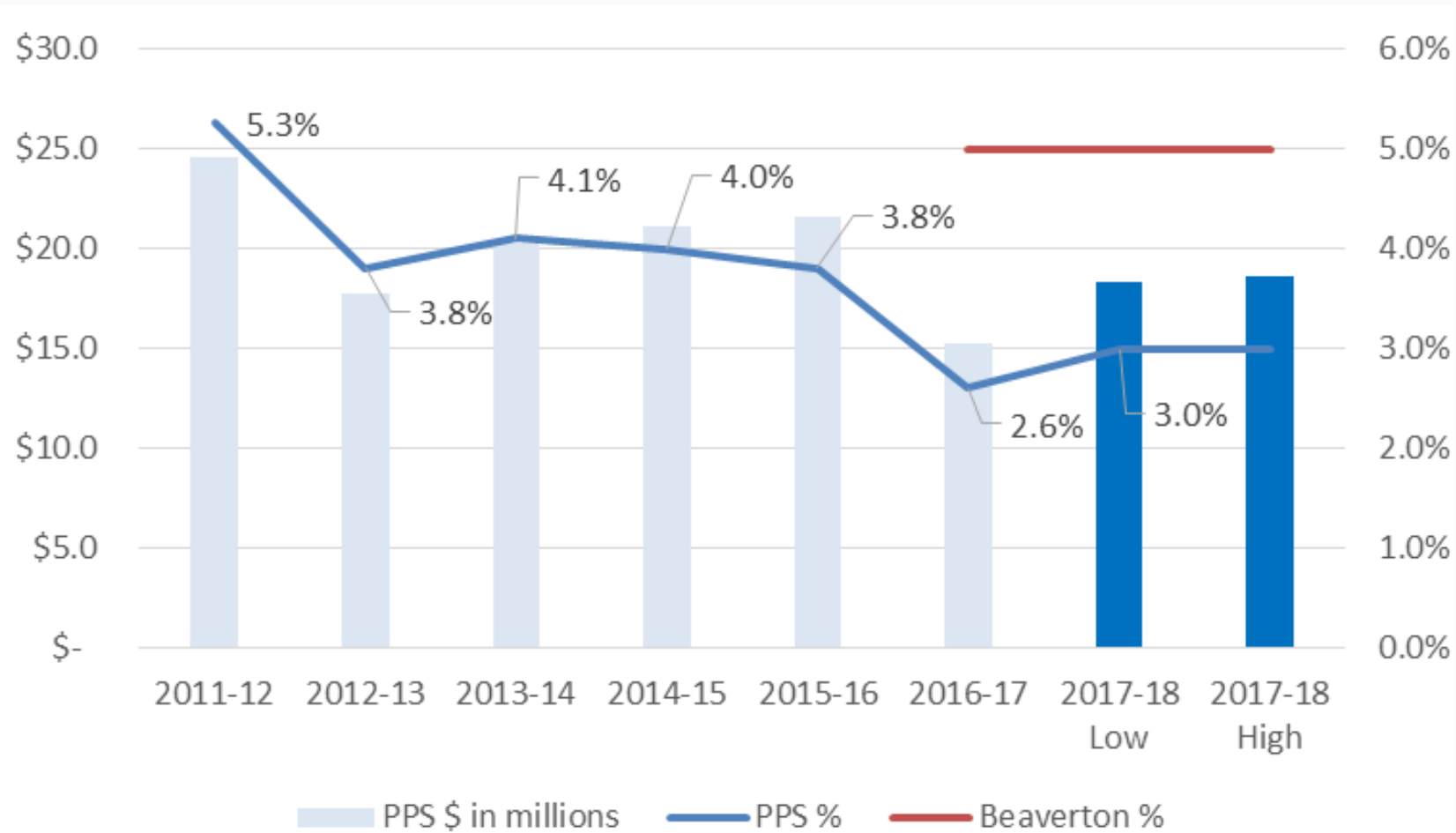
# Summarized Financial Scenarios

General Fund Only <i>USD in Millions</i>	Forecast 2016-17	Low Scenario 2017-18	High Scenario 2017-18	High Scenario Growth over 2016-17
<b>Beginning Balance</b>	\$ 37.8	\$ 18.1	\$ 18.1	
Total Revenue	\$ 562.5	\$ 582.2	\$ 604.9	8%
<b>Total Resources</b>	\$ 600.4	\$ 600.3	\$ 623.0	4%
Total Expenses	\$ 582.3	\$ 595.6	\$ 604.4	4%
Contingency/Ending Balance	\$ 18.1	\$ 18.3	\$ 18.6	
<b>Total Requirements</b>	\$ 600.4	\$ 613.9	\$ 623.0	4%
<b>Budget Deficit</b>	\$ -	\$ (14.0)	\$ -	

Scenarios range between shortfall of \$14M and balanced budget  
Both scenarios assume 3% contingency



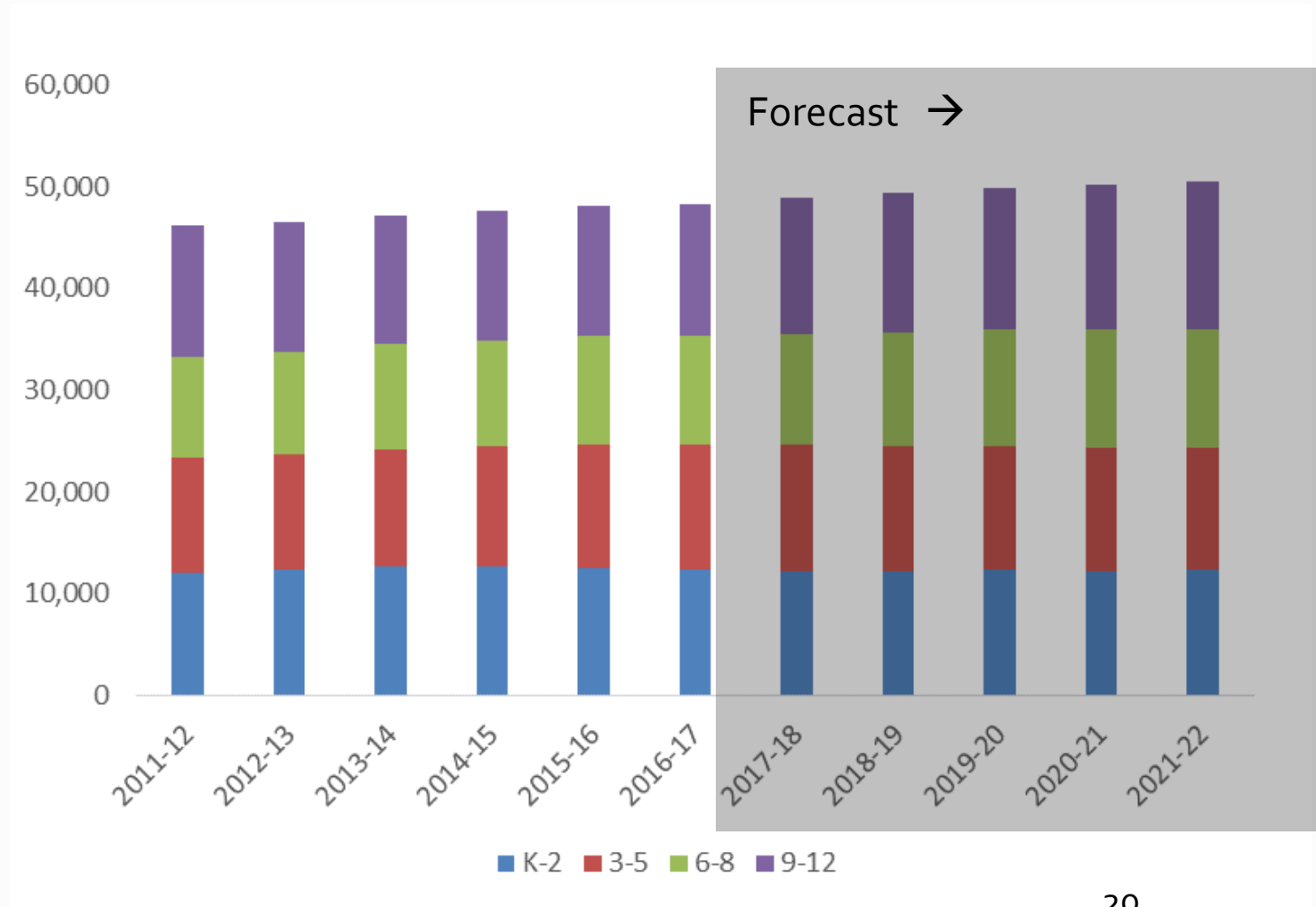
# Budgeted Contingency over Time





# Minimal Enrollment Growth

- PSU Population Research Center projecting about 1% average annual growth
- Less than previous forecasts





# Outlook

- National Landscape
  - New administration
- State Funding
  - Oregon economic growth outperforming, but employment growth slowing
  - Tax reform uncertainty
  - Lower General Fund growth
  - Medicaid expansion costs
- PPS
  - PERS - Better than most, but costs increasing
  - Health and Safety
  - Building Maintenance
  - Enrollment growth
  - Demographic shifts



# Constant Improvement to Process

## *Current Initiatives*

1. Support earlier teacher recruitment and hiring
2. Allow for more board discussion/stakeholder input before budget is finalized
3. Provide ability to create Zero-Based Budgets (“ZBBs”) for specific areas on a rotating schedule
4. Create by school, “programmatically” view of the budget





# Timeline and Next Steps

- December
  - School Staffing
  - Enrollment
  - TAM
- January
  - Central Office
  - Listening Sessions
- February
  - Superintendent Proposes
  - Listening and Work Sessions
- March
  - Positions Posted Externally
- April
  - Final State Budget
- May
  - Approved and Adopted

