

Beaverton School District  
***Budget Assumptions***  
***2011-12***

***General Fund - Revenue***

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| <b>1.</b> <i>Student Enrollment</i>     | September 30, 2011 enrollment is estimated at <u>39,307</u> students, an increase of <u>493</u> students from September 30, 2010 actual enrollment of 38,814. Average Daily Membership Weighted (ADM(w)) will be <u>45,282</u> . This is up from 44,079 budgeted in 2010-11.       |
| <b>2.</b> <i>State School Fund</i>      | Estimated State School Fund (SSF) will be based on \$5.6 billion statewide for the biennium, and the District will budget a 49.5%/ 50.5% distribution for the 2011-13 biennium.<br><br>An adjustment for 2009-10 SSF will be made in May 2011, and the amount is to be determined. |
| <b>3.</b> <i>Property Taxes</i>         | Assessed value for property taxes is anticipated to increase by 1% and property tax collections are projected to remain at a 95% collection rate.  |
| <b>4.</b> <i>Interest Earnings</i>      | Interest earnings will remain significantly low due to the near-zero Federal Funds rate set by the Federal Reserve.  |
| <b>5.</b> <i>Beginning Fund Balance</i> | The estimated Beginning Fund Balance as of July 1, 2011 will be 5.8% of 2010-11 revenue or \$18.1 million.   |

Beaverton School District  
***Budget Assumptions***  
***2011-12***

***General Fund - Expenditures***

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| 1. <i>Current Service Level</i>        | The estimated cost to roll the Current Service Level (CSL) forward is <u>\$324.6</u> million plus a 5% contingency fund of <u>\$15.7</u> million for total requirements of \$340.3 million.   |
| 2. <i>Salaries</i>                     | Projected salary costs will be less than 2010-11 due to the anticipated reduction of 175 positions. The District will propose to reduce days in support of balancing the budget for 2011-12. This requires negotiation with our employee groups. By contract, Certified employees would receive a step increase and 1.75% salary schedule adjustment at a cost of \$5.5 million. Certified staff may receive an adjustment to 2010-11 salary or health insurance costs if the actual cost of step increase is less than 2.7%. Classified staff members are currently in negotiations and salary is yet to be determined. Administrators would receive a 1% salary schedule adjustment and step increase totaling \$238,000. |
| 3. <i>Retirements and Resignations</i> | Employee groups and the District are considering an early retirement incentive for staff who retire prior to the 2011-12 year. If the agreements are made, the District anticipates increased staff retirements.  |
| 4. <i>Health Insurance</i>             | The health insurance cap is to be determined pending negotiations with employee groups. The District anticipates a 0% increase for Regence and a 12% rate increase for Kaiser. Monthly cost to employees will not increase for two out of three insurance plans that will be within the insurance cap. The District continues to receive a waiver from the Oregon Educators Benefit Board (OEBB) insurance pool avoiding significant health insurance cost increases.   |
| 5. <i>PERS</i>                         | The PERS Board released employer contribution rates for the biennium beginning July 1, 2011. The District's rate for Tier 1 and Tier 2 employees is set at 13.02% of eligible salary. The rate for OPSRP (Tier 3) employees is 11.51% resulting in a blended rate of 12.48% or an increase of \$14.5 million over 2010-11.  |

*General Fund - Expenditures Continued*

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| <b>6.</b> <i>Staffing Allocation</i>                    | Staffing ratios may be adjusted to respond to declining SSF revenue, and will be allocated based on projected number of students (including self contained Special Education students) adjusted by ADM historical trends.                       |
| <b>7.</b> <i>Utilities</i>                              | The District anticipates a reduction of \$65,000 for utility costs in 2011-12. A district-wide energy conservation effort offers additional savings for utilities. The District will continue to watch for rate changes from utility companies. |
| <b>8.</b> <i>Transportation/Maintenance Departments</i> | At this time, there are additional fuel cost increases anticipated due to international unrest. We are estimating an increase of \$600,000 which will mostly be reimbursed at 70% through the State School Fund.                                |
| <b>9.</b> <i>New Capacity</i>                           | Springville K-8 opened in 2009-10 and will add 7 <sup>th</sup> grade in 2011-12. Expenses for additional instructional materials and technology may be allocated to accommodate new grade levels.   |
| <b>10.</b> <i>Central Non-Salary</i>                    | Non-salary reductions of 15% will continue in 2011-12.  |
| <b>11.</b> <i>Contingency</i>                           | The contingency fund is calculated at approximately \$10.75 million based on an assumption of 3.5% of 2011-12 projected revenue.  |