

**Multnomah ESD Board of Directors
TSCC Hearing Meeting Minutes
Tuesday, May 15, 2012**

2011-2013

Agency Goals

- #1 – Reconnecting Youth**
- #2 – Implementation of Legislative Mandates**
- #3 – Positive Work Relationships**
- #4 – Strategic Outreach**
- #5 – Professional Development**
- #6 – Fiscal Stability**
- #7 – Shared Services**
- #8 – Board Operating Agreement**

1. CALL TO ORDER

Javier Fernandez, Executive Director of the Tax Supervising and Conservation Commission called the public hearing to order at 6:00 p.m. on Tuesday, May 15, 2012 called under ORS 292.430(2) and in accordance with the agenda and public notice of the meeting.

TSCC Members Present: Tom Linhares, Executive Director
Javier Fernandez, Chair
Susan Schneider, Commissioner
Dr. Roslyn Elm Sutherland, Commissioner
Terry McCall, Commissioner
Tuni Betschart, Budget Analyst
Shannon Turk, Budget Analyst

Board Members Present: Harry Ainsworth, Chair
Bernie Giusto
Jean Haliski
Gary Hollands
Doug Montgomery
Sean Schafer, Vice Chair
Kevin Spellman

Board Members Absent: None

Administrative Staff Present: Barbara Jorgensen, Superintendent
Jim Rose, Chief Operating Officer
Leslie D. Nelson, Board Secretary
Nancy Anderson, Director Special Education Services
Beth Baynes, Director Health and Social Services
Heyke Nickerson, Director Human Resource Services
Mark Skolnick, Director Communication Services
Kelvin Webster, Director Instructional Services

The Tax Supervising and Conservation Commission held a public hearing on the Multnomah Education Service District 2012-2013 Annual Budget approved by the MESD Budget Committee for the Multnomah Education Service District, Multnomah County, State of Oregon for the fiscal year July 1, 2012 to June 30, 2013 in accordance with ORS 294.403(2). The purpose of the meeting was to discuss the budget for the 2012-2013 fiscal year with interested persons. A copy of the budget was made available for inspection at the business office at 11611 NE Ainsworth Circle, Portland, Oregon 97220 between the hours of 8:00 a.m. and 5:00 p.m. or on the Multnomah Education Service District website at: <http://mesdonline.mesd.k12.or.us/bus/budget/>.

Superintendent Jorgensen welcomed the TSCC Board and acknowledged our partnership over the years. She reviewed recent changes based on SB 250 and the administrative changes in the past year to the agency.

TSCC prepared a set of questions requiring responses. The Superintendent and Cabinet Directors responded both in writing and orally as follows.

Legislation

1. Senate Bill 250, also known as the opt-out bill, was adopted in the 2011 Legislative Session. The legislation included provisions for additional oversight by the Office of Regional Education Services. No later than October 1 of each year, ESDs must produce an annual report related to the performance and finances of the ESD for the previous school year, as specified in the legislation.
 - How will this additional requirement be absorbed by the district? Does this budget include resources to assist in this requirement?

This is an interesting question. Because we have no one in that office to date we have no information on how the annual reporting system will change for us. We do know that in the past these reports were due by June 30. We are having our OAESD representative, Jim Mabbott, ask these questions now to OEIB and the governor's representative. We expect to have news on this at the upcoming OAESD conference. There is currently no plan to increase the budget to produce this report. We have been producing this document for many years both online and in print. In the future we will be cutting down on the printing of this report and moving more to an online model for reporting under the new Transparency Website hosted on Oregon Department of Administrative Services' Oregon.gov website. Our annual report usually due June 30 of each year has been postponed to October as a template for the report had not been developed.

- The intent of the legislation is to provide additional accountability. How will the district ensure that the information in this report is available to citizens in the community it serves?

All information needed for reporting requirements will be gathered and produced here in an online format as much as possible and posted on the MESD website as well as the Transparency Website at www.oregon.gov. Department of Administrative Services (DAS) is responsible to make the Transparency Website user friendly for different languages but we have yet to hear how this will be done. Information about our website is included in many community forums such as pediatrician's offices, districts, community partners, HR directors, universities and other such partners who work with us. Our staff also spread the word about our website and what services are available.

2. The Office of Regional Education Services also provides "leadership for regional educational delivery systems" under Section 31 of the legislation. One of the duties listed includes determining the direct cost of services to school districts that are assessed by ESDs.

- Do you interpret this to mean that the Office of Regional Education Services is to set the price of the service that your district provides?

It is our local district's responsibility. Since this office is still vacant we have not yet had direction on this topic. OAESD will continue to work closely with the governor's office. As of yesterday we are working with our districts on a Performance Audit looking at some of the more costly programs that are offered and how we come to those prices. This information will be very informative to us and to the districts and will assist us in deciding what services we will continue to provide in the future. Due to the economy districts continue to look for the best pricing possible to use their funds wisely. We expect they will continue to work with us in the future on pricing and be a partner with us in working with the Regional Office to continue to have local control over the pricing of services. Our local districts have called for a performance audit on our costing of services. This was started last week and a summary will be available within the next several weeks and we will work with our local districts to meet their needs. We have a Functional Living Skills program for students with cognitive and delayed needs at a cost of \$75,000 or more a year. Most of those have one-on-one assistants with them all day.

- How much input do you have in determining the direct cost of services provided?

As of now and in the past we have had most of the input of setting pricing and have used the Advisory Councils made up of district and MESD representatives for each department to create the pricing for program services. In the future I expect this may change but it is unclear what the direction will be. This is part of the understanding that districts and the MESD must work on together so that the needs of the students continue to be met. The Performance Audit should provide more of this understanding.

- If your actual costs exceed the cost allowed to be charged, what is your plan for continuing the service?

This is a discussion that we have almost annually depending on what services are purchased. We know there is a breaking point as to what can be done to provide a cost efficient and effective program in every service we offer. We have had discussions this year and a few decisions that have changed our services for the future have already occurred. As we move to the future with decisions from the districts, we are planning a retreat with them in June to review our service model, our Local Service Plan and all program costs to begin to put together a service model which will meet our districts needs into the future. It is a major balancing act.

- Conversely, if your actual costs are less than the allowable costs will you charge the component districts the lesser amount?

In the past if we have money left over in a program budget, such as FLS, we have allowed districts to carry over those dollars to the next year service plan. We do an adjustment on all resolutions budgets at the end of the fiscal year and credit back dollars to the districts. As we work with districts on the costing of programs we will make adjustments as needed.

- How does this affect your service delivery plan and budget?

In some cases, it could affect programs dramatically. Since the passage of Senate Bill 250 further enhances the local district control over the 90% of the funding we continue to have authority over the 10% to run the agency. While district needs continue to change, we have to be working with our component districts to provide for their individual needs and the needs they have of reporting requirements to ODE. The affect for us then is how much does this change the services we are providing to the students in the districts. We have to think differently and plan differently to be flexible enough to meet the identified needs. We will be working in a “new normal” that means we ebb and flow with change as much as we can and with a planning component composed by all of us we will build to meet the needs for long range plan with the districts.

Question was raised as to how students are placed out of state and costs are the responsibility of the district. Superintendent Jorgensen responded that that is a decision of the district and ODE. The authority rests with the Oregon Department of Education and federal courts.

3. There are many other aspects of SB 250, from certification requirements to the ability to remove the superintendent of the ESD, which are detailed in the legislation.
 - What changes has your district made in response to the legislation? Do you feel the legislation was necessary?

We have reviewed the bill and are working to respond in the areas we can at this time. I am working with other ESD superintendents to assist in the planning for what is needed for the new superintendent certification. At this time TSPC may ask for a year extension to have more time to put a certificate program or an endorsement program together. They are also identifying interested parties to provide this education. I'm not sure it was needed to the extent that became the final outcome. Again, I think that because of a couple of ESD's we all were identified as "bad apples" and this is the result. In some respects if it is done correctly, the program may be better than the current training for superintendents. We still have control over collaborative relationships with our districts.

4. Under the Governor's education reform package ESDs will also have to enter into Achievement Compacts with the state detailing performance measures that could in the future determine state funding.
 - How have you prepared for the first year of this new requirement and what are some of the performance measures that ESDs will have to track?

Cabinet Director Kelvin Webster responded. The current form of the Achievement Compact as it applies to the ESDs requires us to submit a countywide picture on the performance measures (kindergarten readiness, cohort graduation rates, 3rd grade reading and math proficiency, etc.) as an aggregate of the eight component districts in our region. We (MESD) have done an analysis of district school's performance over the last year and recently shared that data with them. This data will serve as the basis for identifying trends and the setting of goals (county-level) for future performance measurement targets. Some of the data that we are required to submit as part of the ESD compact will need to come from the districts. They have acknowledged that and will send it to us when it becomes available. We believe that this is OEIB's way to have a shared responsibility with ESDs.

It is anticipated that the format of the Achievement Compact will change in the subsequent year(s) and we will be having ongoing discussions with our districts and Board as to whether we (MESD) set any local priority measures that are more specific to the programs that we provide direct educational services to the districts in and whether we add additional efficiency measures on other service delivery areas to the districts. We are looking at alliances with the five metro and surrounding area ESDs for more efficiencies.

Budget Committee

5. Multnomah ESD is required by ORS 334.240 to appoint members of component school district boards or designees of the school boards to the Budget Committee. This was brought up after SB 250 amended the statutes dealing with ESDs. Despite continued assurances from TSCC that this was not required, you took a first step by appointing some members of the component school district boards to your Budget Committee for 2012-13.

- How were these members selected?

First, I have to say the idea to move forward to change this process was mine as I felt we didn't need to be the only ESD to stand out and be different only to be questioned by those who don't understand why we are different. In light of that, I spoke with the board to provide my reasoning, discussed with the superintendents that we were looking for members from their board or within their district boundaries to assist us in becoming a part of our budget committee. Members were selected at the local district level through their boards and names were provided to us. We then contacted the members with information on the first meeting time and moved forward from there.

- Is there a reason that no member or a designee from Portland School District was appointed?

The first information we received was that it needed to be a local board member. Then as the law passed and final decisions came out the membership was clearer that it could be a community member. I think it was difficult for current district board members to commit to yet another meeting and so some opted to wait.

- How did the process work to have these appointed members on the Budget Committee?

After the members were identified and approved by their local boards, we met as a full committee of our board and the district approved representatives. Our Board then voted for the members to be added to our Budget Committee. They have been appointed for a two year term. For this first year one of our board members served as chair with a district community member serving as the vice-chair. As we move into this next year we will again go through local superintendents to see if others whose districts did not send a representative want to join the committee.

- Given the fact that you will have to appoint eight school board members or designees next year, have you thought about implementing a more formal process for selecting Budget Committee members?

We have put together a policy as to how this process works and feel that this is a formalized process. This will be shared annually with district superintendents. I would like to have some serve for two years and some for three so that we can overlap for knowledge of the processes of how we as an ESD work when it's time to bring on new members.

Operations

6. Last year you mentioned that programs designed for age level birth to 8th “have not been very robust” and noted that the ESD had hired staff to identify gaps.
 - What has your staff learned of gaps in programming and does this budget address any of those identified needs?

Cabinet Director Nancy Anderson responded. Multnomah Project LAUNCH is a five year, \$3.25 million dollar grant from Substance Abuse and Mental Health Services Administration (SAMHSA). The grant is collaboration with Multnomah Education Service District (MESD) and other child serving partners. The goal is to help children from birth to 8 years old reach physical, social, emotional, behavioral and cognitive milestones so they can feel safe, supported and enter into school ready to learn.

MESD hired a Young Child Wellness Coordinator to facilitate the LAUNCH grant. An environmental scan was the first deliverable of the grant. The YCW Coordinator worked with a newly formed Council to compile the scan. The end product is very comprehensive.

The environmental scan of services to children and their families living in Multnomah County focuses on children birth through the age of eight. We used the current information in the 211 database and several other county reports to develop a current compilation of services. We found many services available; however each has their own eligibility requirements. We also found that families have a difficult time accessing the information through 211 or the other partner websites/databases. The 211 database was “clunky” in regards to search capacity.

We invested additional funding in technology to enhance the search capacity. We also designed a specific category within the database specifically for services for children birth through age eight.

We also found many representatives from partner organizations and/or parents/caregivers do not know about 211 or the Parent Helpline. We created a marketing plan to begin getting the word out across the county. LAUNCH also provided additional funding for a full-time community liaison (housed at 211) to network with community agency staff so they are informed about 211 and the Parent Helpline.

On the Horizon: We are currently working closely with a community foundation to secure funds to hire another full-time community liaison to extend the database entries to include Clackamas and Washington County services. This is important because families access services within the tri-county area and are not necessary confined to only the county where they live.

Screening Tools and Referral Training (START) - START is an initiative of the Oregon Pediatric Society to increase screening(s) used by primary care practitioners during well baby checks. LAUNCH provided funding to START to develop training in the area of social emotional development for primary providers. This training module will be completed by June 2012.

7. The district vacated the Edwards Building by June 30 of last year, as recommended in your facilities report, to reduce facility expenses.

- Did you realize the anticipated savings that you had hoped?

MECP moved out of the Edwards building in August. The rent for the 2011-2012 school year was to be covered through the operations budget, not the program budget. Therefore the anticipated savings (\$200,000) were realized in Fund 6 (Operations Budget).

- Do you have any plans for further consolidation to address expenses?

We do not have the capacity to consolidate any further at this time.

8. Can you provide us with a complete list of facilities that MESD either owns outright or leases?

Properties we own:	Arata Creek School and Alpha School
Properties we lease:	Thompson School in Parkrose for Early Childhood Pathways School in Gresham for Special Education Helensview School for multiple alternative services Ramona: Two classrooms and office space for itinerant staff @ \$1.00 a year

9. Can you update us on the Early Childhood education model that was being developed last year?

As part of the overarching education initiative, the Governor appointed an Early Learning Council to integrate and streamline existing early childhood programs to ensure all children enter kindergarten ready to succeed.

The ELC was created by Senate Bill 909 during the 2011 legislature. The members of the Early Learning Council are:

- *Richard C. "Dick" Alexander (West Linn)* - Chair, Capital Pacific Bank; entrepreneur; Board member of the Children's Institute; and leader in the Ready for School campaign to ensure early childhood success.
- *Pam Curtis, MS (Portland)* - Deputy Director, Center for Evidence-based Policy, Oregon Health & Sciences University.
- *Teri Thalhofer, RN (The Dalles)* - Director, North Central Public Health; Co-Chair, Early Childhood Committee of the Wasco County Commission on Children and Families.

- *Charles McGee (Portland)* - Co-Founder, Black Parent Initiative, the only child, parent, and family-centered prevention based/culturally-specific organization in Portland focused solely on supporting low/moderate income parents, children and families in Multnomah County.
- *Bobbie Weber, PhD (Corvallis)* - Research Associate, Family Policy Program, College of Public Health and Human Sciences, Oregon State University.
- *Norm Smith (Roseburg)* - President, Ford Family Foundation; former Member of the Oregon House of Representatives.
- *Janet Dougherty-Smith (Portland)* - Early Childhood Education Consultant; former Director, Early Childhood Services for Clackamas County Education Service District.
- *Dick Withnell (Keizer)* - Chair, Oregon Commission on Children and Families, Founder, Withnell Motors, Salem.

The ELC has been meeting to determine the steps necessary for implementation. They have created 3 specific workgroups:

1. Child Care and Early Education Workgroup
2. Screening Tools Workgroup
3. Community-Based Coordinator of Early Learning Services Characteristics Workgroup

In alignment to the above work, the Oregon Legislature passed HB 4165 this session. HB 4165 has specific requirements for implementation. They include:

Reports from Early Learning Council:

1. Submit annual statewide strategic report addressing Head Start Act of 2007 requirements to the State Director of Head Start Collaboration, Oregon Education Investment Board, Legislative Assembly and the Governor.
2. Jointly, between the ELC and the State Interagency Coordinating Council, submit a report to the OEIB and the interim committees of the Legislative Assembly on education and human services. The report will describe the unique complexities of providing early childhood special education and early intervention services and shall make recommendations for possible ways to better coordinate and improve the delivery of those services. September 30th, 2012.
3. Submit a report to the OEIB and the interim committees of the Legislative Assembly on education and human services. The report shall describe a comprehensive children's budget for adequately funding early childhood education and development programs and services for the 2013-2015 biennium. (See legislation for report components) September 30th, 2012.
4. Submit a report to the OEIB and interim committees of the Legislative Assembly on education and human services that describes the availability, resources, and functions of persons who act as family support managers as described in section 5 (3)(b), chapter 519, Oregon Laws 2011. September 30, 2012.
5. Submit a report on the functions and administration of community-based coordinators of early learning services including the contracting criteria and process for implementing the community-based coordination structure. February 4, 2013.

6. Child Care Division provides a report to the ELC twice a year that summarizes the development and administration of childcare resource and referral policies and practices.

Youth Development Council:

1. YDC submits a report to OEIB that establishes funding priorities for gang violence intervention efforts and programs that assist gang-affected youth. November 1, 2013.
2. Youth Development Council submit a report to OEIB that summarizes existing social services and existing juvenile justice programs and services provided by state government that reduce criminal involvement and support academic success for school age children through 20 years. Summary shall include costs, goals, outcomes and locations of the programs and services. September 30th, 2012.

Transfer of authority or advisory role to ELC, YDC or OEIB.

1. State OCCF transfer to ELC or YDC, July 1, 2012.
2. ELC assumes functions of the Commission for Child Care July 1, 2012.
3. Establish Youth Development Council, July 1, 2012.
 - a. JCPAC abolished July 1, 2013
4. DOE advisory committee to provide advice to the department and ELC on matters related to Oregon Pre-K program (continuation of existing role).
5. The State Interagency Coordinating Council advises the ELC on unmet needs in the early childhood special education and early intervention programs for preschool children with disabilities (continuation of existing role).
6. ELC report to the Governor and Legislative Assembly on the voluntary statewide early learning system, January of each odd-numbered year.
7. Child Care Division establishes a Child Care Resource and Referral Advisory Committee and report to ELC twice a year.
8. Chief Education Officer to the ELC Director, March 15, 2016 (OEIB Sunset).

Actions

1. The ELC and DOE shall develop a process for kindergarten readiness assessment (must include input of kindergarten teachers). Pilot November 1, 2012. Available statewide November 1, 2013.
2. Adopt Head Start Child Development Early Learning Framework for children 3-5. Initiate revisions to the early childhood foundation standards for 0-3. November 1, 2013.
3. Align HSCD Early Learning Framework with Common Core State Standards. June 30, 2015.
4. DOE shall report quarterly to ELC and OEIB on progress toward meeting the goal. Beginning April 2012.
5. Oregon will implement Head Start Act re-competition procedures consistent with federal practices.
6. RFP process for community Based Coordinator implementation no later than January 1, 2014.
7. The ELC shall:

- a. Adopt policies to establish training and technical assistance programs to ensure that personnel have skills in appropriate areas, including screening, family assessment, competency-based home visiting skills, culture and gender differences and other areas as needed.
 - b. Develop a plan for the implementation of a common data system for voluntary early childhood programs.
 - c. Coordinate existing and new early childhood programs to provide a range of community-based supports
 - d. Establish a common set of quality assurance standards to guide local implementation of all elements of the voluntary statewide early learning system, including voluntary universal screening and assessment, home visiting, staffing, evaluation and community-based services
 - e. Ensure that all plans for voluntary early childhood services are coordinated and consistent with federal and state law, including but not limited to plans for Oregon Pre-K programs, Head Start, early childhood special education, early intervention and public health.
 - f. Identify how the voluntary statewide early learning system for children 0-6 will link with systems of support for older children and their families.
8. Child Care Division, under direction and approval of the ELC, initiate development of a tiered quality rating and improvement system by January 1, 2013.

Currently the ELC is taking their meeting on the road throughout Oregon to allow for public comment and participation in areas outside of the Valley.

10. Minutes from the Budget Committee meetings include public comment on the reduction of the Printing and Graphics division of Communication Services. Public comment requested additional time to create this division as an entrepreneurial component of the ESD.

- Will this change impact services to school districts?

Chief Operating Officer Jim Rose responded that we are looking to close a portion of it by July 1, 2012. Direct services to MESD's component districts will be minimally impacted. In the past districts selected Printing services on their local plan using resolution dollars but none have done so recently. Districts do bring in occasional work but these jobs can be handled by local providers at a similar rate to what MESD charged.

- Were printing and graphics services provided outside of the school districts to other businesses? How?

MESD provided printing services to non-profit organizations including charter schools and charity organizations that requested services. MESD does not provide services that compete with local companies to for profit businesses.

- This budget includes elimination of 3.40 FTE in this division, leaving 1.00 FTE. What are the net anticipated savings that you hope to see from this reduction?

Our current year budget for Printing and Graphics is \$716,437. 2012-13 budget is \$198,039. We will however also bring in less revenue from internal and external sources, down from \$295,000 to a staff estimated \$55,600. We do anticipate departments and programs will change their printing expectations as they move to other vendors. Initial cost comparisons indicate a savings over the MESD subsidized price in all areas of printing except black and white high speed copying. In addition we do not plan to produce as many documents and will rely more on web-based publications. This is in part a direct response to a clear message from the Budget Committee. This has been a very difficult decision for us not just to see the program go away and the staff, but to lose our customers.

If the resources were to come back, even you wouldn't think about reopening this operation again but use other brokers. Superintendent Jorgensen responded that unless we received buy in from our districts or other educational entities, we do not have the funding to do that.

11. Minutes also addressed funding for Edupoint and the conversion from the eSIS student information system.

- Can you briefly discuss this conversion and how it will benefit the students in the district?

The previous student information system, eSIS, was purchased by Pearson and put on a schedule for an end-of-life on June 30, 2012. Staying on eSIS was not an option as it would no longer be supported. While eSIS was not a perfect program we would not have chosen to replace it at this time given the current financial issues districts face. Unfortunately this is a forced expenditure that has benefits more for the districts than directly for students.

We have two districts that are converting for this fall (2012), Riverdale and Parkrose. Work is well under way to acquire equipment, set up the software and database, and train staff on the new system. The remaining districts will go live in September 2013. We are cooperatively working with the Northwest Regional ESD on this project to find additional economies of scale.

- This budget includes funding for the purchase of Edupoint. Will the school districts share in the cost of the system and if so, how will the cost distributed to the component districts?

Edupoint sells their software differently than AAL sold eSIS. In the past MESD owned all of the licenses and operated a single database instance on behalf of the districts. With Edupoint the districts will be purchasing the licenses themselves and

MESD will operate individual database instances for each participating district. To assist districts with the unexpected and unplanned for expense MESD has offered to purchase the licenses for the districts and be paid back over the next three years. On-going support will continue as it has in the past with districts paying a portion of the cost based on ADMw and the level of service they need. Total if all districts were in would be \$1.3 million with licensing and maintenance.

Outdoor School

12. It appears most of the component school districts will contract for only a three day Outdoor School program as opposed to the traditional five day program. This budget includes 0.60 FTE in the Outdoor School program to assist with fundraising.

- What expectations do you have for this position?

Cabinet Director Webster responded. We expect that this position will do the following for us:

- seek out new as well as maintain current donor relationships,
- provide programming and cost information to any grass roots or school and district based fund raising efforts, and
- expand efforts to seek and establish funding sources beyond just the traditional foundation organizations by looking to other entities along the lines of METRO to seek a more solid sustainable funding base for the program.

The Development Specialist has also been providing a lot of technical assistance to the school districts on general fund raising strategies that they are leading to raise funds for Outdoor School participation along with providing awareness on various funding opportunities. An additional area of expectation that the program has for the position is to solicit ways in which we can expand and/or enrich the program. This has been done through applying for and receiving grants and partnership building as we have done with various art organizations.

- Is the goal to provide enough fundraising dollars to allow districts to pay for three days but receive the traditional five day program?

Ultimately the goal of our funding efforts and strategies would be to find sufficient sustainable funding sources that would underwrite the cost of the program for our districts, so that their students would be able to participate in the ODS full week program. That would be the long-term goal. In the interim we work to be responsive to the individual needs of the participating districts/schools, whether that is participating in the shorter version or the longer version of the program. Currently most of the fund raising efforts are centered on trying to solicit the funding necessary so that districts can participate at the minimal level so that they are eligible to receive the METRO reimbursement. PPS has received a grant through the City of Portland but this has not been extended to other Multnomah County Districts outside the city limits.

TSCC Recommendations:

TSCC noted two recommendations as outlined in the attached May 15, 2015 letter to the Board of Directors. The second recommendation came as a strong admonishment to the district and the Board to be aware of their fiduciary responsibilities. Chair Fernandez, however applauded the MESD for their efforts to resolve these issues.

Action: It was moved by Commissioner Sutherland and seconded by Commissioner Schneider to approve the 2012-2013 MESD Budget as presented. Motion passed 5-0.

2. PUBLIC COMMENT

There were no comments from the public.

3. ADJOURNMENT

There being no further business the meeting was adjourned at 7:08 p.m.

Barbara Jorgensen
Superintendent

BJ
ldn



May 15, 2012

**Tax Supervising
& Conservation
Commission**

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Board of Directors
Multnomah Education Service District
PO Box 301039
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Dear Board Members:

The Tax Supervising and Conservation Commission met on May 15, 2012 to review, discuss and conduct a public hearing on the Multnomah Education Service District's 2012-13 Approved Budget. This hearing was conducted pursuant to ORS 294.605 to 294.705 to confirm compliance with applicable laws and to determine the adequacy of estimates necessary to support efficient and economical administration of the district.

The 2012-13 Budget, filed April 13, 2012, is hereby certified by a majority vote of the Commission with the following recommendations, which will require a written response.

Recommendation

The Budget Committee approved the budget and the property tax levy; however neither amount was explicitly stated in Resolution BBC-12-01. While it is evident what was intended, it would be clearer if the resolution stated the amount of requirements in each fund, or at the least that the budget was being approved "as presented in the Proposed Budget." Also, the property tax rate to be approved should be specific as to what rate is being approved, i.e., \$0.4576 per \$1,000 of assessed value. Approval of the budget and the property tax levy by the Budget Committee is one of the most important steps in the entire budget process and should be as detailed as possible to conform to Local Budget Law.

Recommendation

The audit report notes the following expenditures exceeded appropriations in 2010-11.

Operating Fund: Transfers out	(\$144,328)
Resolution Services Fund: Instruction	(\$170,443)
Resolution Services Fund: Transfers out	(\$254,212)
Contract Services Fund: Instruction	(\$276,323)
Contract Services Fund: Enterprise and community services	(\$1,398,723)
Debt Service Fund: Debt services	(\$2,030,508)
Risk Management Reserve Fund: Support services	(\$324,324)

Local Budget Law does not allow for the expenditure of funds above approved appropriation levels. The Board needs to accept its fiduciary responsibility and allocate additional resources devoted to tracking and reporting on revenues and expenditures during the year and by taking action to put in place appropriation authority before expenditures are made that exceed the authority granted in the original budget adoption.

Commissioners

Javier Fernandez, Chair
Terry McCall
Steven B. Nance
Susan Schneider
Dr. Roslyn Elms Sutherland

Other than the items noted above, the 2012-13 budget estimates were judged to be reasonable for the purpose shown and the document was found to be in substantial compliance with Local Budget Law. The budget estimates and levy amounts, as shown in the approved budget, are shown below.

Please file a complete copy of the adopted budget with the Commission no later than July 16, 2012. If extra time is needed for filing the adopted budget, please request an extension in writing.

We appreciate having the opportunity to discuss this budget with you.

	<u>Budget Estimates</u>	<u>Unappropriated Portion</u>
Resolution Services Fund	31,312,214	0
Contracted Services Fund	45,985,407	6,780,698
Debt Service Fund	2,807,641	0
Facilities Acquisition & Improvements Fund	1,399,162	654,162
Operating Fund	7,854,874	3,939,350
Risk Management Reserve Fund	1,161,225	339,660
Total Budget Estimate	90,520,523	11,713,870

Tax Levy: Permanent Rate \$0.4576 per \$1,000 of assessed value

Yours very truly,

TAX SUPERVISING & CONSERVATION COMMISSION



Javier Fernandez, Chair



Susan Schneider, Commissioner



Roslyn Elms Sutherland, Commissioner



Terry McCall, Commissioner

Steven B. Nance, Commissioner