

**LIST OF QUESTIONS & RESPONSES TO PROPOSED BUDGET FY 2016-17 - 5/4/16**

**Linda Cadzow Questions**

1. **What processes are used to evaluate the cost/benefit of purchasing services versus provision of the service in-house? Is this evaluation done on a recurring basis?**

When we looked at the current purchased services the vast majority are related to nutrition services, special education outside placement services or transportation services for special education these services are very specific in nature therefore no additional cost analysis was done except looking at spend history over the last 3 years. In regard to remaining purchased services used by the District they are typically specific vendors used for facility services such as electrical, roof repairs, tree removal, window replacement, etc. The district consistently evaluates purchased services to ensure we meet contract law guidelines, bid procedures, etc.

2. **There are some significant differences between the current budget and proposed budget items for certain purchased services. Can you briefly explain why (Item A-G)**

**2A 0322 Repairs and Maintenance is decreasing by \$50,314?**

Fund 100 Object 322 Repairs and Maintenance

| Fiscal Year      | Budget     | Actual     | Difference | Percent remaining |
|------------------|------------|------------|------------|-------------------|
| 2016-17 Proposed | 162,777.00 |            |            |                   |
| 2015-16          | 213,091.00 | 135,158.52 | 77,932.48  | 36.57% **         |
| 2014-15          | 213,091.00 | 105,560.37 | 107,530.63 | 50.46%            |
| 2013-14          | 228,091.00 | 70,646.47  | 157,444.53 | 69.03%            |
| 2012-13          | 233,370.00 | 112,847.20 | 120,522.80 | 51.64%            |
| 2011-12          | 240,938.00 | 107,687.62 | 133,250.38 | 55.30%            |

\*\*Through 04-26-16 includes encumbrance

|                 |                   |
|-----------------|-------------------|
| Expense to date | 88,005.93         |
| Encumbrance     | 47,152.59         |
| <b>total</b>    | <b>135,158.52</b> |

This five year review shows that we have not been spending nearly as much as we have been budgeting for this object. The 2015-16 actual expense is at this point still over \$27K less than the budget proposed for 2016-17.

**2B. 0325 Electricity is increasing by \$142,800**

Fund 100 Object 325 Electricity

| Fiscal Year      | Budget     | Actual & Projected | Difference  | Percent remaining |
|------------------|------------|--------------------|-------------|-------------------|
| 2016-17 Proposed | 474,500.00 |                    |             |                   |
| 2015-16          | 331,700.00 | 499,409.88         | -167,709.88 | -12.66% **        |
| 2014-15          | 331,700.00 | 460,384.49         | -128,684.49 | -38.80%           |
| 2013-14          | 331,700.00 | 461,869.51         | -130,169.51 | -39.24%           |
| 2012-13          | 331,700.00 | 390,247.54         | -58,547.54  | -17.65%           |
| 2011-12          | 308,700.00 | 380,347.60         | -71,647.60  | -23.21%           |

\*\*Through 04-26-16 includes projected

|                         |                   |
|-------------------------|-------------------|
| Expense to date         | 373,694.10        |
| Projected (Apr to June) | 125,715.78        |
| <b>total</b>            | <b>499,409.88</b> |

The five year trend for this object shows that we have been spending a significant amount more than we have been budgeting. The two years prior to the current year both show over \$460K in actual expense, with the current year expense projecting to be around the same, current exp as of Apr \$373,694. The increase in budget for this object is to better reflect our actual & projected spending trends.

**2C. 0326 Fuel is decreasing by \$176,992 (\$337,000 - \$160,0008)**

**LIST OF QUESTIONS & RESPONSES TO PROPOSED BUDGET FY 2016-17 - 5/4/16**

Fund 100 Object 326 Fuel

| <u>Fiscal Year</u> | <u>Budget</u> | <u>Actual &amp; Projected</u> | <u>Difference</u> | <u>Percent remaining</u> |
|--------------------|---------------|-------------------------------|-------------------|--------------------------|
| 2016-17 Proposed   | 160,008.00    |                               |                   |                          |
| 2015-16            | 337,000.00    | 196,814.45                    | 140,185.55        | 61.24% **                |
| 2014-15            | 337,000.00    | 188,304.53                    | 148,695.47        | 44.12%                   |
| 2013-14            | 337,000.00    | 244,831.98                    | 92,168.02         | 27.35%                   |
| 2012-13            | 382,000.00    | 188,367.92                    | 193,632.08        | 50.69%                   |
| 2011-12            | 367,000.00    | 241,414.73                    | 125,585.27        | 34.22%                   |

\*\*Through 04-26-16 includes projected

|                         |                   |
|-------------------------|-------------------|
| Expense to date         | 130,635.57        |
| Projected (Apr to June) | 66,178.88         |
| <b>total</b>            | <b>196,814.45</b> |

The reason for the decrease in budget for this object is due to a couple of factors. First of all, the trend in spending is decreasing due to lower fuel prices than in previous years. Also we have purchased new buses which should get better fuel economy than the buses we are replacing.

**2D. 0343 Travel, Student, Out of District increasing by \$455,180 (\$768,180 - \$313,000)**

Fund 100 Object 343 Travel, Student Out of District

| <u>Fiscal Year</u> | <u>Budget</u> | <u>Actual &amp; Encum.</u> | <u>Difference</u> | <u>Percent remaining</u> |
|--------------------|---------------|----------------------------|-------------------|--------------------------|
| 2016-17 Proposed   | 768,180.00    |                            |                   |                          |
| 2015-16            | 313,000.00    | 1,179,084.32               | -866,084.32       | -276.70% **              |
| 2014-15            | 95,000.00     | 770,856.31                 | -675,856.31       | -711.43%                 |
| 2013-14            | 95,000.00     | 332,268.10                 | -237,268.10       | -249.76%                 |
| 2012-13            | 5,000.00      | 228,610.43                 | -223,610.43       | -4472.21%                |
| 2011-12            | 5,000.00      | 112,267.50                 | -107,267.50       | -2145.35%                |

\*\*Through 04-26-16 includes encumbrance

|                 |                     |
|-----------------|---------------------|
| Expense to date | 774,766.16          |
| Encumbrance     | 404,318.16          |
| <b>total</b>    | <b>1,179,084.32</b> |

This object has been historically under budgeted in relation to the actual expense. Even though we are increasing the budget for this object in the proposed 16-17 budget, we may still overspend this compared to the budget.

**2E. 0371 Payments to other InState Districts increasing by \$594,000 (\$1,500,000 - \$906,000)**

Fund 100 Object 371 Payments to other InState Districts

| <u>Fiscal Year</u> | <u>Budget</u> | <u>Actual &amp; Encum.</u> | <u>Difference</u> | <u>Percent remaining</u> |
|--------------------|---------------|----------------------------|-------------------|--------------------------|
| 2016-17 Proposed   | 1,500,000.00  |                            |                   |                          |
| 2015-16            | 906,000.00    | 2,216,484.02               | -1,310,484.02     | -144.65%                 |
| 2014-15            | 891,000.00    | 1,371,458.42               | -480,458.42       | -53.92%                  |
| 2013-14            | 881,000.00    | 1,009,551.79               | -128,551.79       | -14.59%                  |
| 2012-13            | 854,018.00    | 571,885.22                 | 282,132.78        | 33.04%                   |
| 2011-12            | 898,018.00    | 690,201.04                 | 207,816.96        | 23.14%                   |

\*\*Through 04-26-16 includes encumbrance

|                 |                     |
|-----------------|---------------------|
| Expense to date | 979,120.18          |
| Encumbrance     | 1,237,363.84        |
| <b>total</b>    | <b>2,216,484.02</b> |

This object has been historically under budgeted in relation to the actual expense. In FY 16-17 the \$125k for ACE Charter has been removed. We are increasing the budget to better reflect most of the future actual spending for this object.

**2F. 0389 Other NonInst Prof/Tech Services increasing by \$48,500 (\$143,295 - \$94,795)**

Fund 100 Object 389 Other NonInst Prof/Tech Services

**LIST OF QUESTIONS & RESPONSES TO PROPOSED BUDGET FY 2016-17 - 5/4/16**

| Fiscal Year      | Budget     | Actual & Encum. | Difference | Percent remaining |
|------------------|------------|-----------------|------------|-------------------|
| 2016-17 Proposed | 143,295.00 |                 |            |                   |
| 2015-16          | 94,795.00  | 83,801.59       | 10,993.41  | 11.60% **         |
| 2014-15          | 95,795.00  | 134,999.75      | -39,204.75 | -40.93%           |
| 2013-14          | 95,795.00  | 142,410.71      | -46,615.71 | -48.66%           |
| 2012-13          | 140,720.00 | 99,601.73       | 41,118.27  | 29.22%            |
| 2011-12          | 141,300.00 | 101,372.57      | 39,927.43  | 28.26%            |

\*\*Through 04-26-16 includes encumbrance

|                 |                  |
|-----------------|------------------|
| Expense to date | 78,988.31        |
| Encumbrance     | 4,813.28         |
| <b>total</b>    | <b>83,801.59</b> |

This object has been historically under budgeted in relation to the actual expense. We are increasing the budget to better reflect actual spending for this object. In FY 16/17 we added \$20k for outdoor school and \$45k for fiscal software (payroll implementation).

**2G. What assumptions/realities/predictions underlie the changes and are the new budget levels expected to continue in future years?**

With the majority of our resources generated from local revenue and SSF we will not be able to predict the budget 100% due to the states budget is bi-annual and starting in 17-19 we will be in another budget for the state. With the uncertainty around things we can not control such as state legislative agreements all we can rely on at this time is past history of funding. Therefore when looking at the past 5 years at Parkrose our findings as gone up slightly The 15/16 budget was adjusted below by \$1,679,348 due to prop tax increase and fund balance adj. this adjustment has yet to be made in the financial system as of 5/4/16.

|          | Budget        | Change       | Percentage Change                          |
|----------|---------------|--------------|--------------------------------------------|
| FY 16-17 | \$ 33,902,227 | \$ 1,145,712 | 3.5%                                       |
| FY 15-16 | \$ 32,756,515 | \$ 1,321,246 | 4.2% Supple budget est adj \$1.6 mil. Inc. |
| FY 14-15 | \$ 31,435,269 | \$ 2,727,224 | 9.5% Includes \$1,150 million supple.      |
| FY 13-14 | \$ 28,708,045 | \$ 697,513   | 2.5%                                       |
| FY 12-13 | \$ 28,010,532 |              |                                            |

**3. Item 0659 Other Insurance and Judgments was at \$133,642 for the current year, \$129,239 for 2014-2015 and is projected at -0- for next year. Were the last two years' amounts predictable during those years' budget processes? How high is the confidence level that -0- is in fact an accurate projection for next year? Finally, have the events that led to the last years' costs of \$133,642 and \$129,239 been reviewed for opportunities to reduce exposure/liability and have appropriate risk reduction actions been implemented to minimize comparable costs in the future?**

The amounts budgeted for the current year, and last year, was due to a union labor dispute for OSEA from fiscal years 2010-11, and 2011-12. The judgment was agreed to be paid over two years. This object is not normally budgeted for due to the fact that the amount is not measurable or known at budget time. However when a judgment amount is known and the time is known we do budget for this.

**4. The state special education reimbursement is increasing \$346K. How is this increase affecting the level and/or quality of special education services? Does this increased state contribution free up any "other" money for other programs (including non-special-education)? If so, where are those monies being applied?**

Due to changes in the high cost disability rules in FY 15-16 were the state went from \$12.5 million authorized allocation to \$35 million the District was able to recognize an increase in reimbursable expenses of \$346k. Will this increase in funding free up funds in other programs - at this time no because this reimbursement is based on prior year expenses and as you see from question 2E out of district placements our expenses are on the rise and our current budget is still appears insufficient. This increase will assist in the overall \$1.5 million increase in SPED budget line items in FY 16-17 budget.

**5. What is the 'Opal School' program? When will state funding be confirmed and how likely is it to occur? When will any decisions to expand the program to another school be made?**

**LIST OF QUESTIONS & RESPONSES TO PROPOSED BUDGET FY 2016-17 - 5/4/16**

The Opal School program is our Early Learning (Pre-School) program at Prescott Elem - this program started in FY 15-16 and we have budgeted \$40k to assist with the operation in FY 16-17. The State Legislation is working on an Early Learning initiative however how the funding will be distributed / allocated is still up in the air. Therefore the District is hoping to continue the partnership with Opal to foster early learning opportunities in the District until the State finalizes funding.

6. Does the \$20,000 allocated for Outdoor School provide adequate funding to extend this experience to all students? Does it provide any cushion to assist individual students who might otherwise be denied the experience?

The \$20k currently proposed will cover approximately 32% of the cost of a 2 night / 3 day and 26% of 3 night / 4 day events. These amounts are not reflective of credits being applied from Metro or Soil and Water. The purpose of the budget request was to minimize the burden currently held by parents and the school. Will this amount allow all students to attend - typically most students attend and those without sufficient funds they try to find scholarship dollars or donations.

7. Can you confirm that the increase of 3.0 Certified positions (English Language Learners, College & Career Secretary, Reading Intervention and Ninth Grade On Track Facilitator), when viewed through the Equity Lens, validates these positions as providing the greatest "bang for the buck" for reaching district goals?

All four positions are support for Parkrose kids to help them to access their education, improve academic performance and graduate college and career ready, our district goal.

a. ELL two half time positions. The two schools that these go to are Russell and Sacramento, both of which are generally our highest enrollment elementary schools with the highest ELL populations. We previously cut ELL positions at those schools to save money and they need them back. Students whose second language is English struggle very much in our district and we need to support them.

b. College and Career Secretary. While PHS has Elevate Oregon to assist students of color with 13 Leadership Skills to help them graduate and go to college and careers, AVID elective classes assist many students with college applications and resume writing and College Possible assists first time college going students in the 11th and 12th grades, we need even more assistance with college and career guidance for every student we miss with the other programs. In addition, we only have 2 counselors and they need help in this area.

c. Reading Intervention from half to full time at PMS. They need all the help they can get to get students to grade level and beyond in reading. This has been a very successful program at the middle school and needs to now be full time to get the most out of it for kids in need. Reading is the key.

d. Ninth Grade on Track from half time to full time. The number one indicator of graduation success is being on track with all credits by the time a students gets to the 10th grade. This comes out of the Connected by 21 research from the Portland Schools Foundation and PSU from 2007. We have already measured the success of having the new position 1/2 time and know now that having it full time will reach even more kids.

**Dave Carter Questions**

8. Please explain the zero amount on 659 under General Fund Function 2310? In the two prior years there has been a substantial amount in this line. (See response for question #3)

9. Please explain the projection of a 40% increase of line 325 under General Fund Function 2542? Has there been savings produce from our LEED Gold Middle School in energy use? Ultimately, we should be seeing our electricity expenses go down. (See response for question 2B)

10. Please clarify the differences between line 412 and 450 under General Fund Function 3120? Both line are labeled the as "Food".

Currently the only place we have food in the GF is in the transportation department - reason we need to pay our drivers back for being out on trips during the dinner hour. The other budgeted food item in the nutrition department in fund 202 - this amount is associated with paying for products to feed students in our 6 schools. The GF budget is \$1,000 and the Nutrition budget is \$850,000. Both of these amounts fall into line item coded 0412 and the 0450 which has the same description is not being utilized

**LIST OF QUESTIONS & RESPONSES TO PROPOSED BUDGET FY 2016-17 - 5/4/16**

11. Could you clarify line 131 under High School Function 1132? Does extra duty salary include teacher coaching as well as specific sport paid coaching staff?

The amount in the budget is reflective of what we expect to pay staff as stipends in relation to sports at the High School which includes both current teachers who take on additional functions and outside staff that we employ to be coaches.

**Sara Kirby Questions**

My current understanding of the context of the budget is that after many years of cutting staff, furlough days, etc. (and spending down the contingency fund balance to mitigate cuts) this budget is now in a neutral to positive direction, meaning no cut school days, adding a handful of FTE (rather than needing to reduce to keep up with obligations) adding in some wins

12. like ODS funds and instruments. The vast majority, over 90% of the districts budget is obligated expenses either by ORS or employee contracts. The fund structure and layout of budget documents have been realigned with school budget ORS and best practices, so for other folks (it's new to me) the budget may look/feel different in it's allocations. Question : Is my overall interpretation of budget correct, if not what am I missing?

You are correct in your analysis - this budget is a step forward in not cutting staff and need to take furlough days. With all the prior cuts that Parkrose had taken over the years this is a continued approach to get the District back to current service level that existed in prior years. Adding only 3 FTE does not bring the District back to prior service levels before all the cuts started but it is a good start. As with cuts the District had to adjust program direction so with change and add backs it was vital that the leadership evaluate how future funding opportunities are best aligned. The leadership feels these adds are what is needed to address our poverty and academic achievement gaps we are experiencing.

13. In the budget message is does this statement below mean two separate \$250,000 dollars (\$500,000 total) or does the are they the different sides of the revenue/expense equation? "We will continue to budget a \$250,000 contingency and a \$250,000 unappropriated ending fund balance."

The amount reflected in the budget for contingency and unappropriated ending fund balance they are separate amounts. In the future it will be hope of the District to grow the contingency and unappropriated fund balance to larger amounts - these amounts allow outside agencies to see we operating with a sufficient level of reserves. As many districts had done throughout these difficult years these amounts have been reduced to ensure staffing stays in the classroom. The ending objective is to eventually raise these amounts when possible.

14. What's missing or what are some of the trade offs you considered this year? What are the next 3-5 things that would get funding out of the "expected changes/increases in Expenditures for the general fund" section if there was an additional \$100,000-\$500,000 available? What makes me ask this question is that I think the allocations for the SEI position, Outdoor School, instruments are all great wins and help to gain back lost ground for students as well as meet equity needs/goals. I get the need for PERS stabilization fund and software upgrades, all the FTE increases seem very strategic. I'm curious to know what is just beyond our reach at this point.

If the district had additional funding available some of the items we would like to add would be: 1) Elem. Math Coach \$105k 2) Curriculum adoption funding for Math \$300k to \$600k 3) Adding SUN program at another school \$35k 4) Technology Media Specialist \$110k 5) Increase the amount for retirement fund \$150k = total additional options to date \$700k to \$1 million if additional funding was available. These amounts do not include the option to increase the fund balance or contingency back to prior year balances because our first objective is to ensure we support our students.