

A Message from the Superintendent



Michael Lopes—Serrao
Superintendent

It is my privilege and honor to represent the Parkrose School District and share the recommended operating budget for the fiscal year beginning July 1, 2022 and ending June 30, 2023. As required by Oregon Budget Law, the proposed budget is balanced between total resources and requirements. We based our 2022-23 budgets on the State of Oregon's proposed budget allocating \$9.3 billion to the State School Fund Budget for the 2021-23 biennium. This message and accompanying documents are presented in compliance with Revised Statutes Chapter 294, ORS 294.403, 294.408, and 294.426.

Budget Message Background:

Our district has experienced a remarkably challenging time continuing to navigate another year of unique and challenging conditions. Our staff have risen to meet the changing needs of our students and families during the 2021-2022 school year. This includes managing changing public health standards, students and families impacted by long quarantines, covering for sick staff,

and focusing on supporting students who have missed over a year of in-person instruction. I am honored to lead a district of such resilience. Our staff have been heroic in their efforts to support students and families during another year of uncertainty.

We bring this budget to you as part of our compliance in following local budget law. This budget represents the second half of the biennium of a 9.3 billion dollar state school fund. Our budget is built on the priority of maintaining our service level to the best of our ability. Our top priority is to support and accelerate student learning to high levels of access and rigor. This includes increasing more comprehensive opportunities for students to determine their educational dreams and provide them with experiences that are relevant to their complex world, and class work that drives our students and community to solve the complex problems we face today.

As we have seen enrollment decline, we have seen a significant need for intensive academic and social emotional supports for our students and staff. These broader needs require human resources to support and build capacity in our students. Unfortunately, at the same time, we are experiencing precipitous drops in student enrollment. This is the fundamental challenge of our current budget cycle.

Our \$10 million in Federal stimulus funding was in full swing during 2021-22 and going into 2022-23 we will have \$6.5 million or 61% remaining. Our use of the first two federal support packages provided \$900,000 in technology purchases, including providing WIFI for many families. In addition, we used \$500,000 to support Nutrition Services by continuing nutrition support throughout the Pandemic. The district was also able to apply funds to help improve ventilation systems in our schools for students and staff to safely return to our schools. These funds are shown in this budget and have been a tremendous support to our district. We also know that the state legislature will finalize the allocation to the state school fund by the end of June, 2022. Each \$100 million cut from the state school fund is approximately \$200,000 in Parkrose.

One key priority for Parkrose is to keep the current service level as a critical minimum. We need class sizes to be manageable and must be able to provide more personal educational experiences as we help students rebound from the significant changes they experienced over the past two school years. We also

need the essential support services to continue for our students and families as we continue to manage a very complex time in our community. Mental health service needs are at an all time high, but there is also energy and needs to help reconnect our youth to their community and schools.. This budget requires us to shift funding in order to keep Parkrose at current service level and balance the budget. We are minimizing staffing cuts by utilizing multiple funds to keep us whole, but recognize there is some correction needed due to the loss of student enrollment across the district, but particularly at our elementary schools. If we didn't have federal stimulus funding our district would be faced with cutting an additional \$1.1 million dollars from our general fund budget. To maintain current service level, we made the following adjustment to the general fund:

- The district had to cut \$1.8 million out of the general fund in order to balance the budget.
 - ◊4 teaching positions and two educational assistant positions – \$535,420
 - ◊Vacant transportation driver positions — \$300,360
 - ◊Moved Prescott Pre-K to Fund 280 because it is now funds by Multnomah County — \$174,487
 - ◊Increase estimated beginning fund balance by \$700,000
 - ◊Remaining cuts of \$96,465 were reduced from liability insurance and out placed services in special education and transportation.
- Increased property tax revenue \$750,000 based on revenue trends
- We are paying for 5 administrative staff and 1 classified staff through the use of Emergency Relief funds provided by the federal government at \$1.1 million in order to maintain our current service level to staff and families.

These needed adjustments demonstrate that without federal support we would be presenting a series of staffing or day cuts in this budget. This presents a serious long term funding issue for Parkrose School District. These emergency funds will expire in 2024, and if we continue to lose enrollment or don't have some enrollment recovery, we face unfortunate cuts in the future.

As I have mentioned, our most critical concern is our enrollment. Most districts in Multnomah County have lost significant enrollment and that impacts our overall revenue. Our county and our district have seen 5+% enrollment losses in the past two years. Across our state more than 30,000 students have left the public school system, while our state's population has increased. This year's loss in Parkrose was approximately 150 students. This 150 student loss equates to a loss of \$1.5 million. We are hopeful that enrollment will return, but we do not have any guarantee. We are focused on offering a robust in-person experience while doing our best to increase more comprehensive curricular and extracurricular opportunities.

Our state legislature passed the Student Success Act (SSA), during the 2019 Legislative Session and generated revenue through a corporate activity tax. Our revenue this past year totaled only \$2.5 million and we budgeted the same amount in the proposed until the states allocation is finalized. We had developed a plan for more than \$2.5 million.

Our SIA plan was based on community engagement and input and can be found on the District website: [LINK HERE](#)

The strategies and activities in our plan address areas of investment that support the social-emotional well-being and academic growth of our students as we work to close the opportunity gap for our historically underserved students. Our plan supports what our community values and needs, and we will continue to collaborate with our students, families, and staff as we make this plan a reality.

We have seen that reality bring our students multiple new opportunities across our district. This includes Physical Education classes at all our elementary schools, mentoring for elementary students, increased mental health services, Art classes at Parkrose Middle School, a reconnecting youth position at Parkrose High School, Middle School Basketball and Track, Playworks at elementary, Elementary coaching for teachers, added thousands of new books to our libraries, and support for the Arts across the district. All of these programs would not be possible without the input and support from our community and the adding of the Student Investment Account.

These are all experiences that our students continue to tell us they want to see more of across the district. This literally is a drop in the bucket from where we want to see our district in the future. More comprehensive opportunities is a key goal.

The District's 2022-23 proposed budget is \$71,487,443 with the General Fund being \$36,542,389. The proposed budget is balanced and has a .55% decrease over the Adopted budget of 2021-22.

The Parkrose School District budget was constructed with the following objectives:

- Ensuring that we maintain health and safety standards to assure a social and emotionally safe learning environment for when students return.
- Focusing on minimizing staff and budget reductions based on the district's focus on student opportunities and performance.
- Continuing to focus on student achievement and opportunity goals.
- Further implement Student Success Act plan by providing more comprehensive academic opportunities and social emotional supports for students

I would like to thank all staff for their efforts in preparing the 2022-23 budgets, as well as the Budget Committee for volunteering their time and efforts in the budget process.

We have scrutinized the budget to make adjustments to minimize the loss of educational opportunities for our children, protect the instructional goals of the district, maintain health and safety standards in our buildings and grounds, and provide reserves for an uncertain financial future. The staff stands ready to assist the budget committee in the process of approving the 2022-23 school year budget.

In an effort to be compliant with budget law and give you a clear look at Parkrose's priorities, we ask you to review and approve this budget.. Your approval of this budget will help our district prioritize critical services to students and families.

We thank the School Board and Budget Committee for your volunteer service to the students of the Parkrose School District. You are making a positive difference in the lives of children in our community to ensure they thrive in the coming school year.

With Gratitude,

Michael Lopes-Serrao
Superintendent