

# Budget Update - School Board Retreat

August 26, 2025

# Presentation Agenda

- Background
  - Understanding Components of the Budget (Fund Sources and Uses)
  - Where the money comes from
  - How we spend it
  - How we compare
  - Enrollment

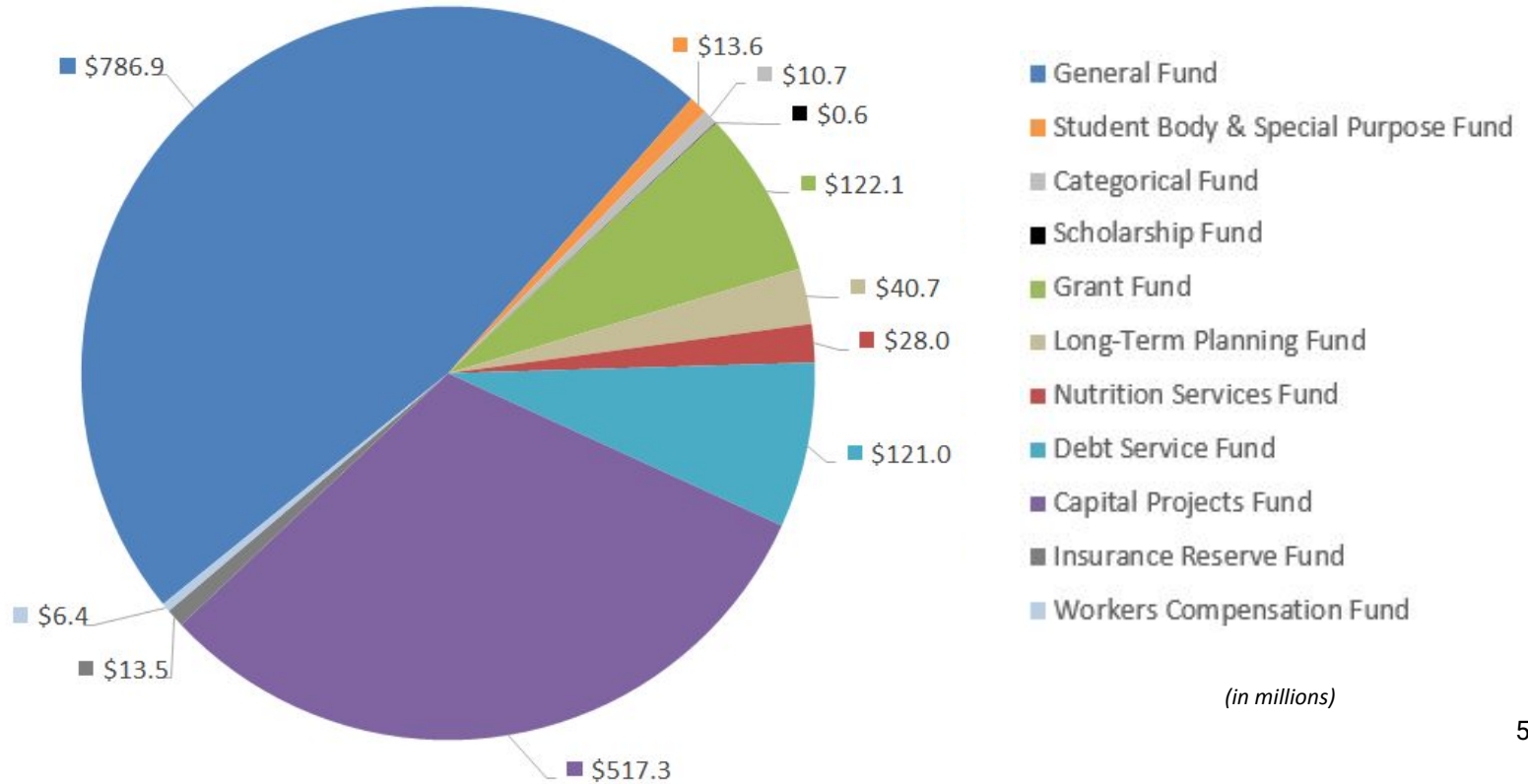
# Presentation Agenda

- Student Investment Account (SIA) / High School Success (HSS)
- General Fund (operating fund)
  - The Numbers
  - Previous budget adjustments

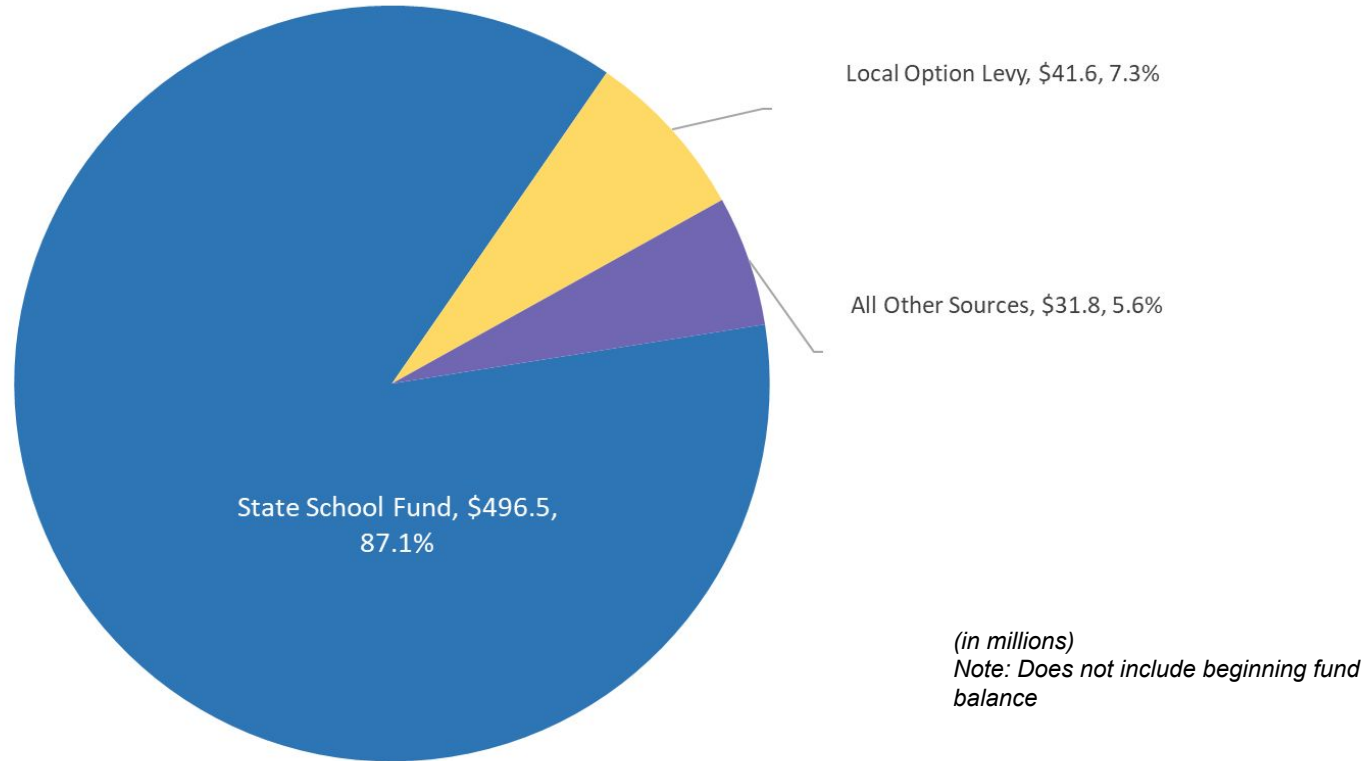
# Presentation Agenda

- Staffing Allocation  
Methodology (SAM) Overview
- Questions & Comments

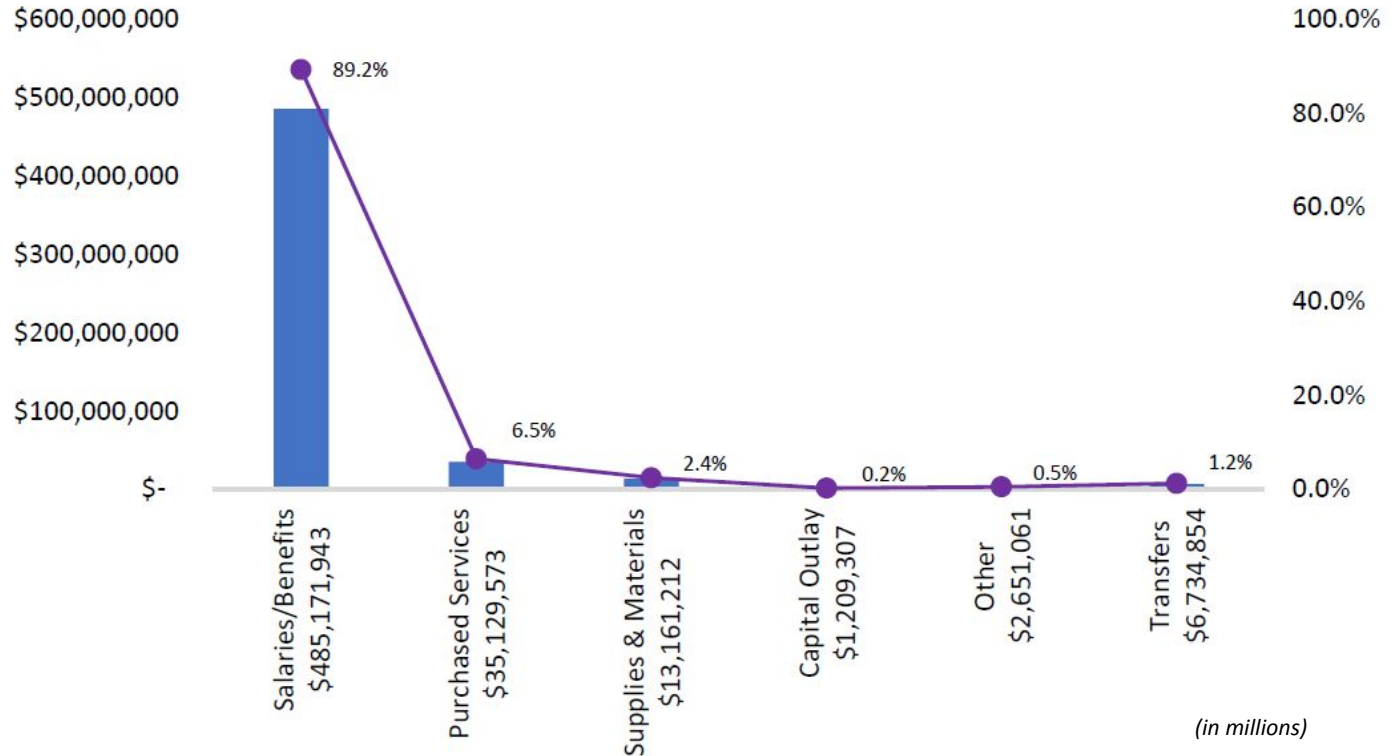
# Components of the Budget - 2025-26



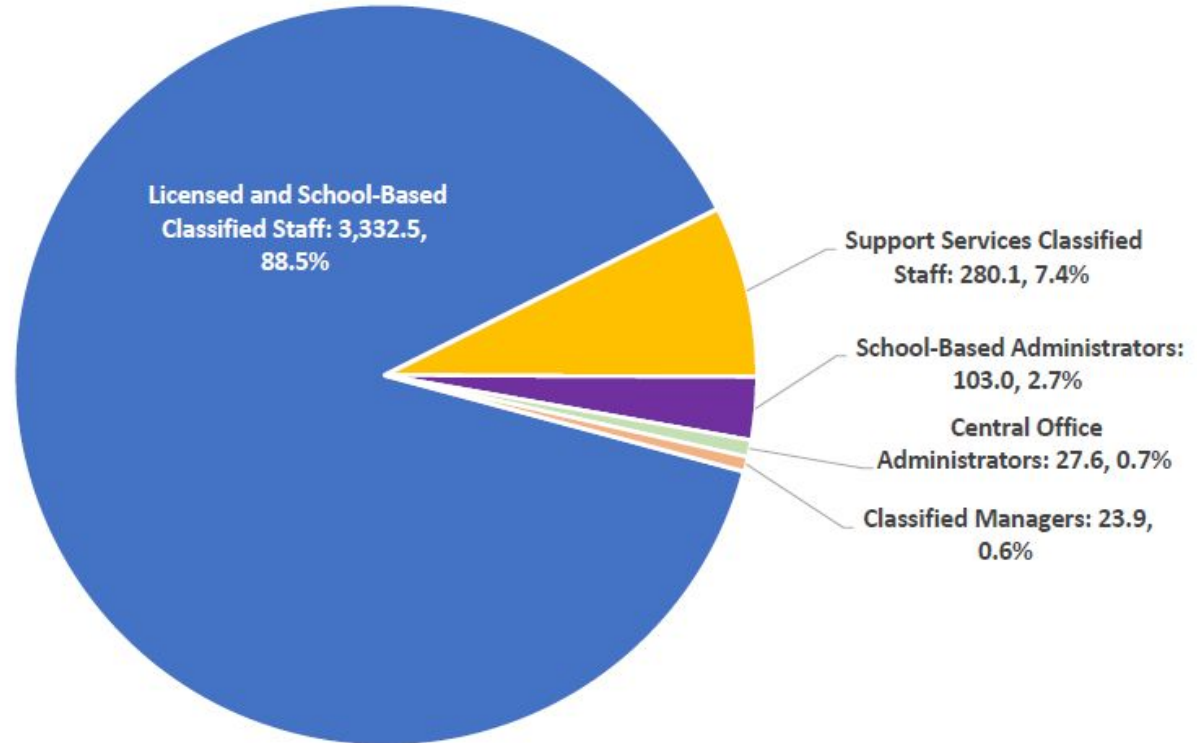
# General Fund Revenue - 2023-24 Actuals



# General Fund Expenditures - 2023-24 Actuals



# General Fund FTE by Type - 2023-24 Actuals



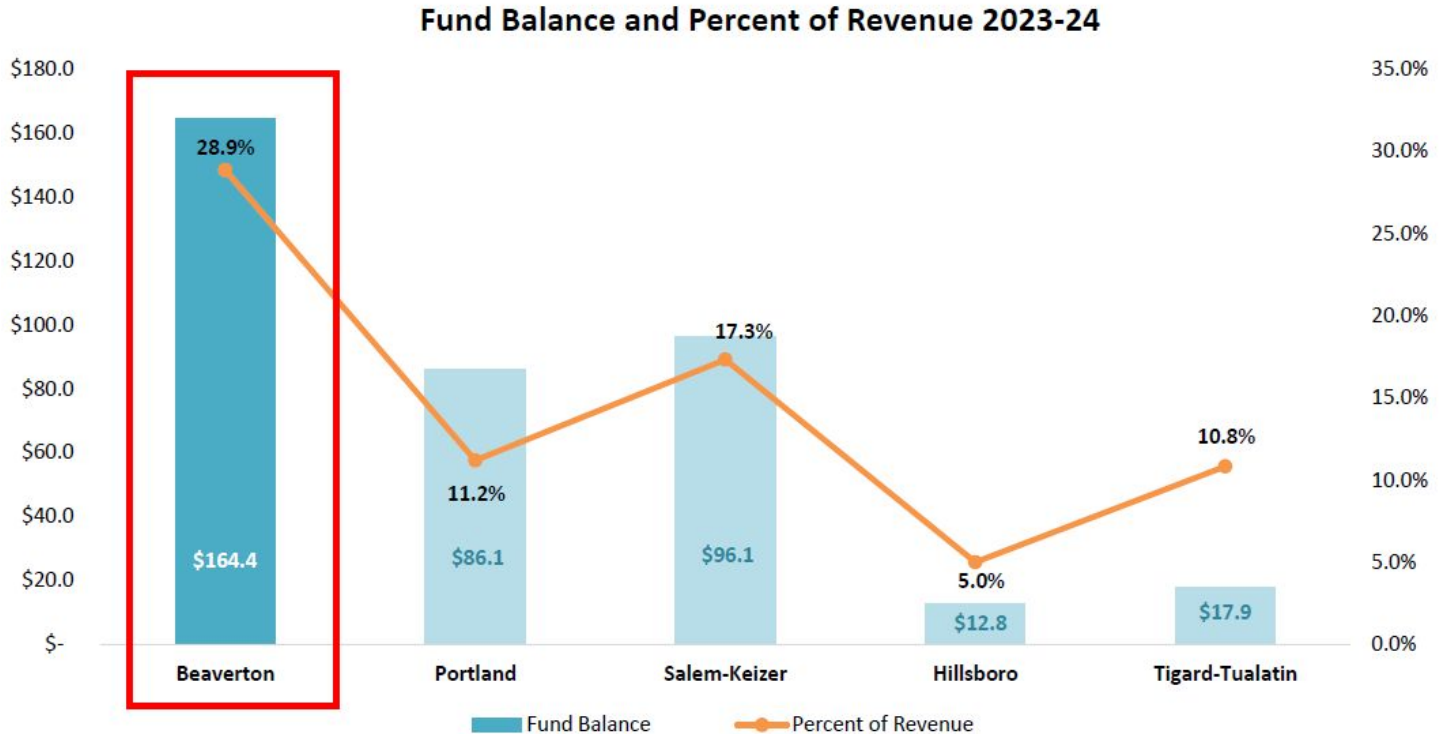


# How We Compare

- Based on location and/or demographics
  - Portland Public Schools
  - Salem-Keizer Public Schools
  - Hillsboro School District
  - Tigard-Tualatin School District

# How We Compare (General Fund) - 2024 Ending Fund Balance

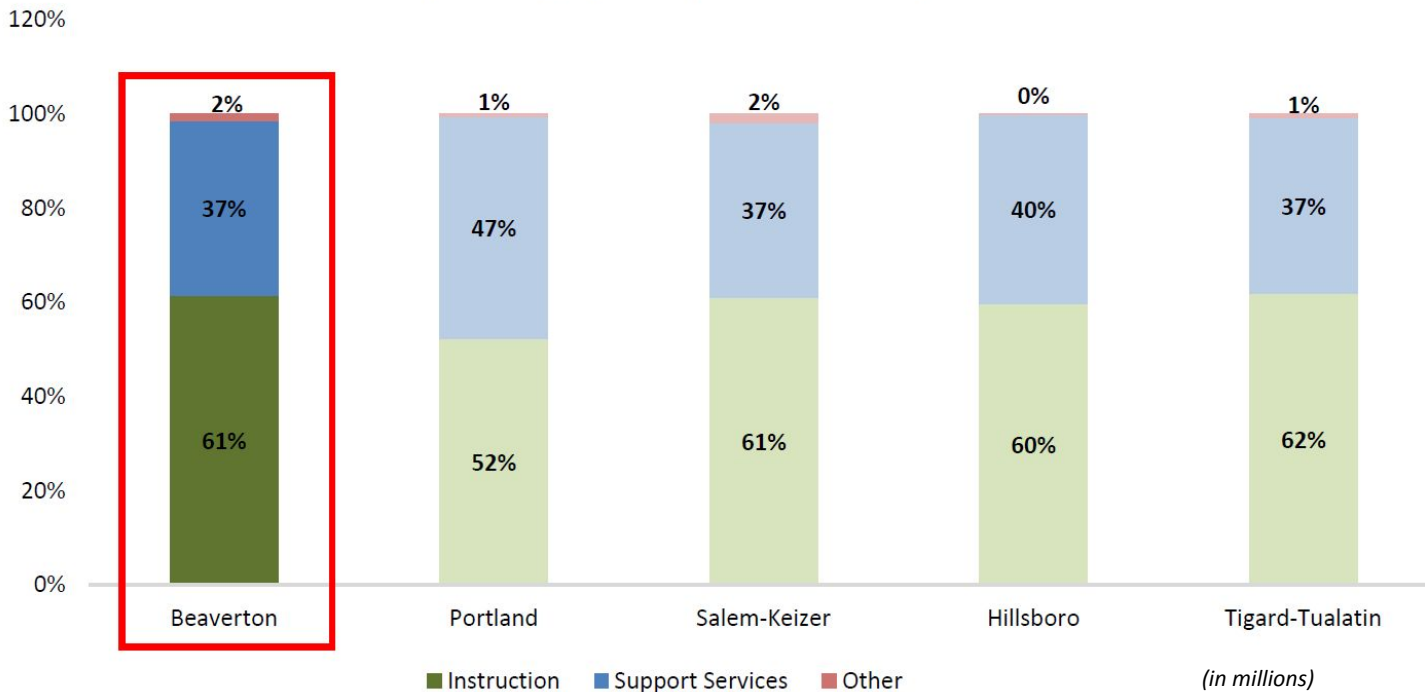
Source: Annual Comprehensive Financial Report for each school district.



# How We Compare (General Fund) - 2024 Expenditures

Actual % of Operating Spend per Student by Function in 2024

Source: Annual Comprehensive Financial Report for each school district.



# How We Compare - Budget Reductions 2025-2026

- Budget 2025-2026
  - Portland Public Schools \$41 million
  - Salem-Keizer Public Schools \$0
  - Hillsboro School District \$20 million
  - Tigard-Tualatin School District \$11 million

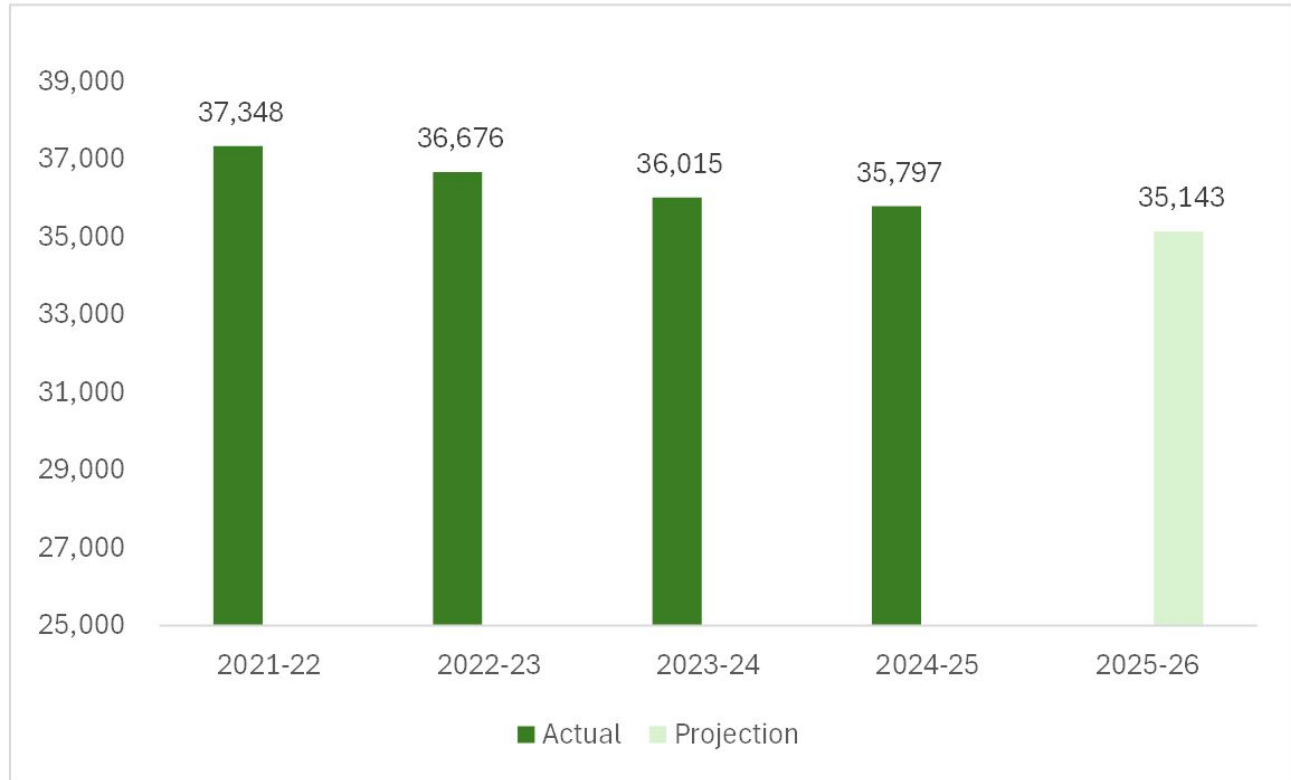
# Budget Reductions - Neighboring Districts For Fiscal Year 2025-26

	Portland		Hillsboro		Tigard-Tualatin		Beaverton	
	Amount	FTE	Amount	FTE	Amount	FTE	Amount	FTE
Licensed Staffing	\$ 20.6	143.0	\$ 9.9	67.0	\$ 8.1	61.0	\$ -	-
Classified Staffing	2.5	28.0	6.0	77.0	0.9	11.0	0.2	2.3
Administrative Staffing	4.7	22.0	0.9	5.0	0.5	2.0	-	-
Other Combined Staffing/Unknown	5.8	37.0	-	-	-	-	-	-
Discretionary (Purchased Services, Supplies & Materials, etc)	7.7	-	3.1	-	1.3	-	2.2	-
Transfers to Other Funds	-	-	-	-	-	-	2.7	-
<b>Total</b>	<b>\$ 41.3</b>	<b>230.0</b>	<b>\$ 19.9</b>	<b>149.0</b>	<b>\$ 10.8</b>	<b>74.0</b>	<b>\$ 5.1</b>	<b>2.3</b>

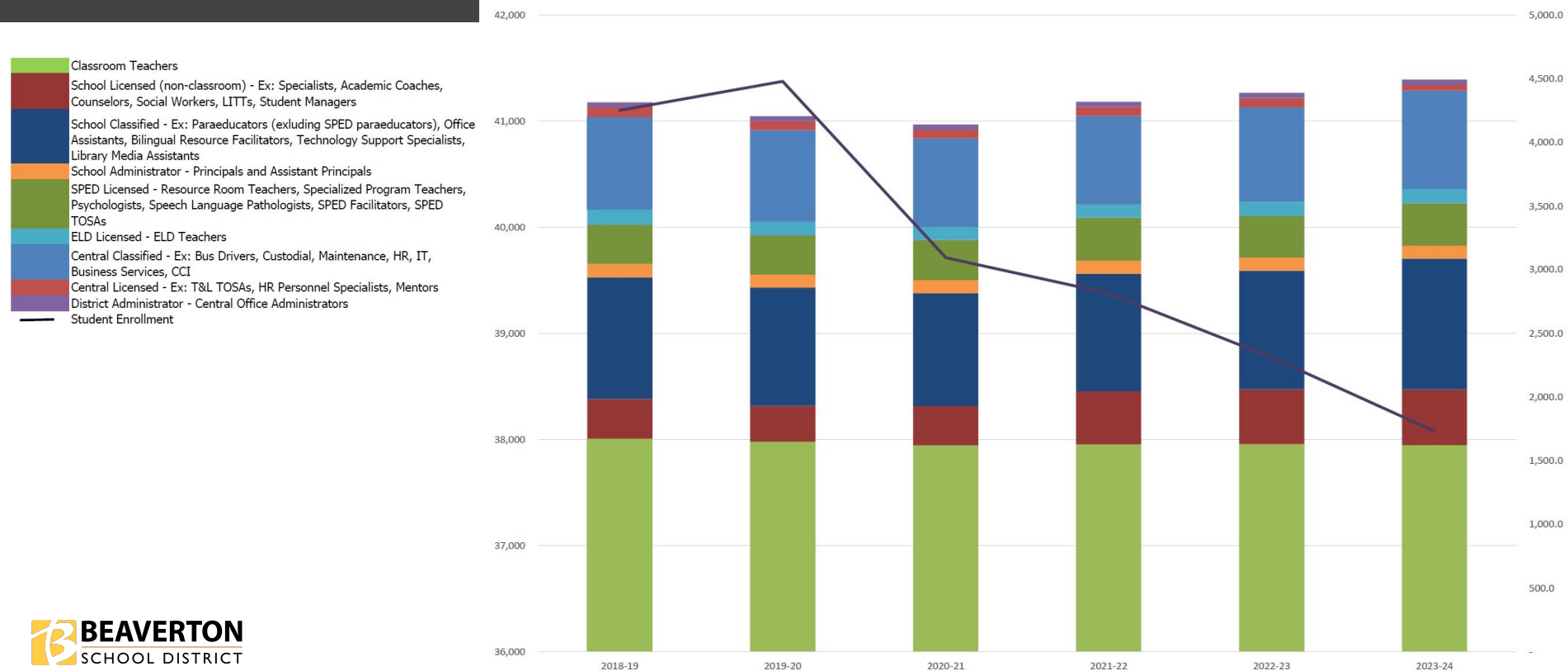
Note: no reductions in 2025-26 for Salem-Keizer

(in millions)

# District Enrollment as of September 30

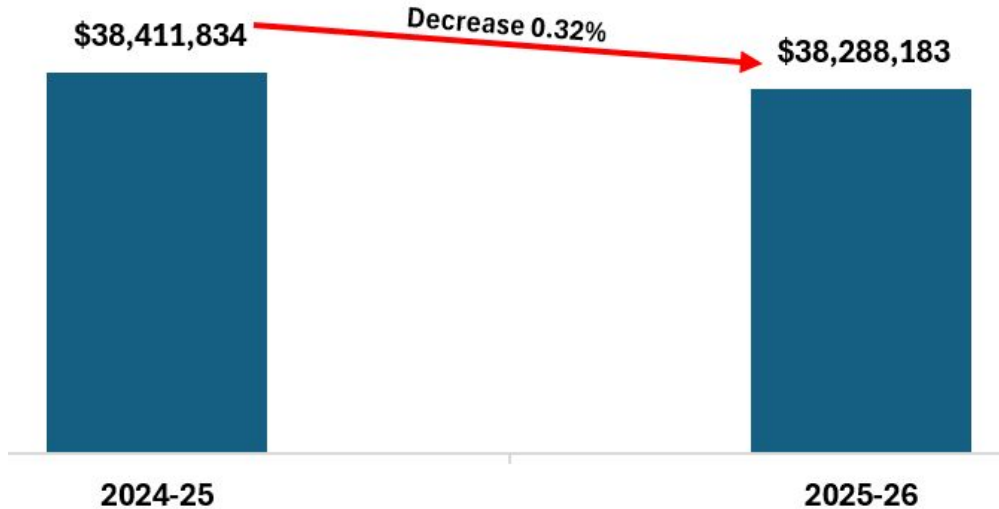


# District Enrollment and Staffing

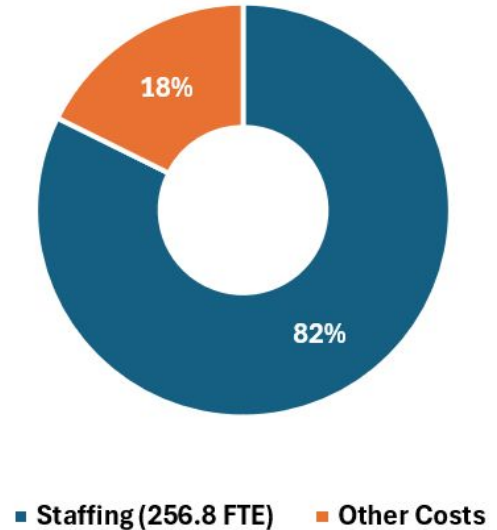


# Student Investment Account (SIA)

## SIA Award 2024-25 vs 2025-26



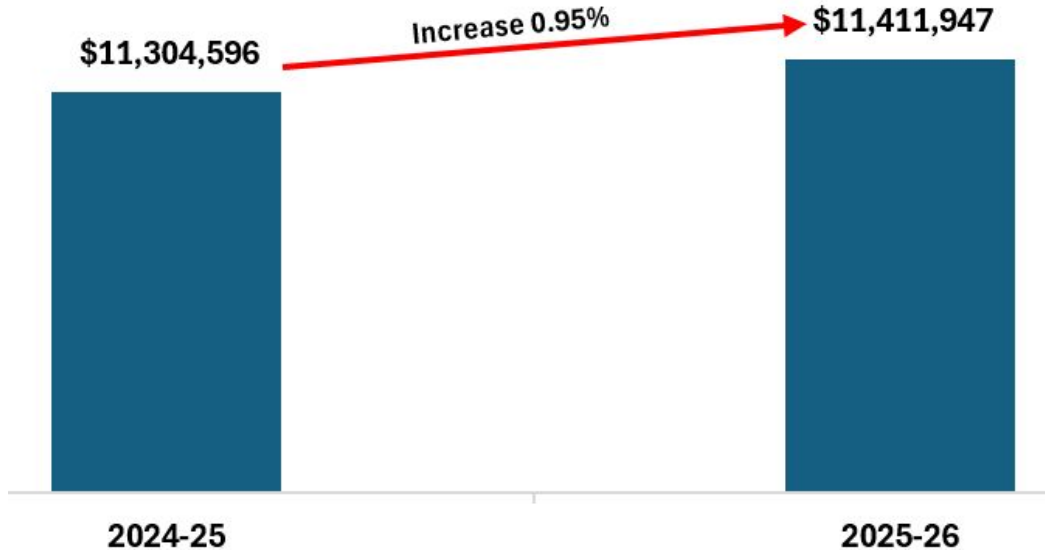
## SIA Staffing vs Other Costs



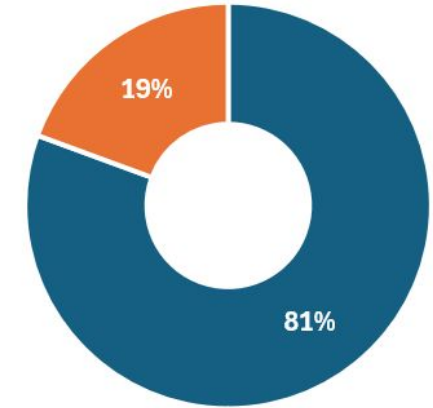


# High School Success (HSS)

## HSS Award 2024-25 vs 2025-26



## HSS Staffing vs Other Costs



■ Staffing (81.0 FTE) ■ Other Costs

# The Numbers - Assumptions

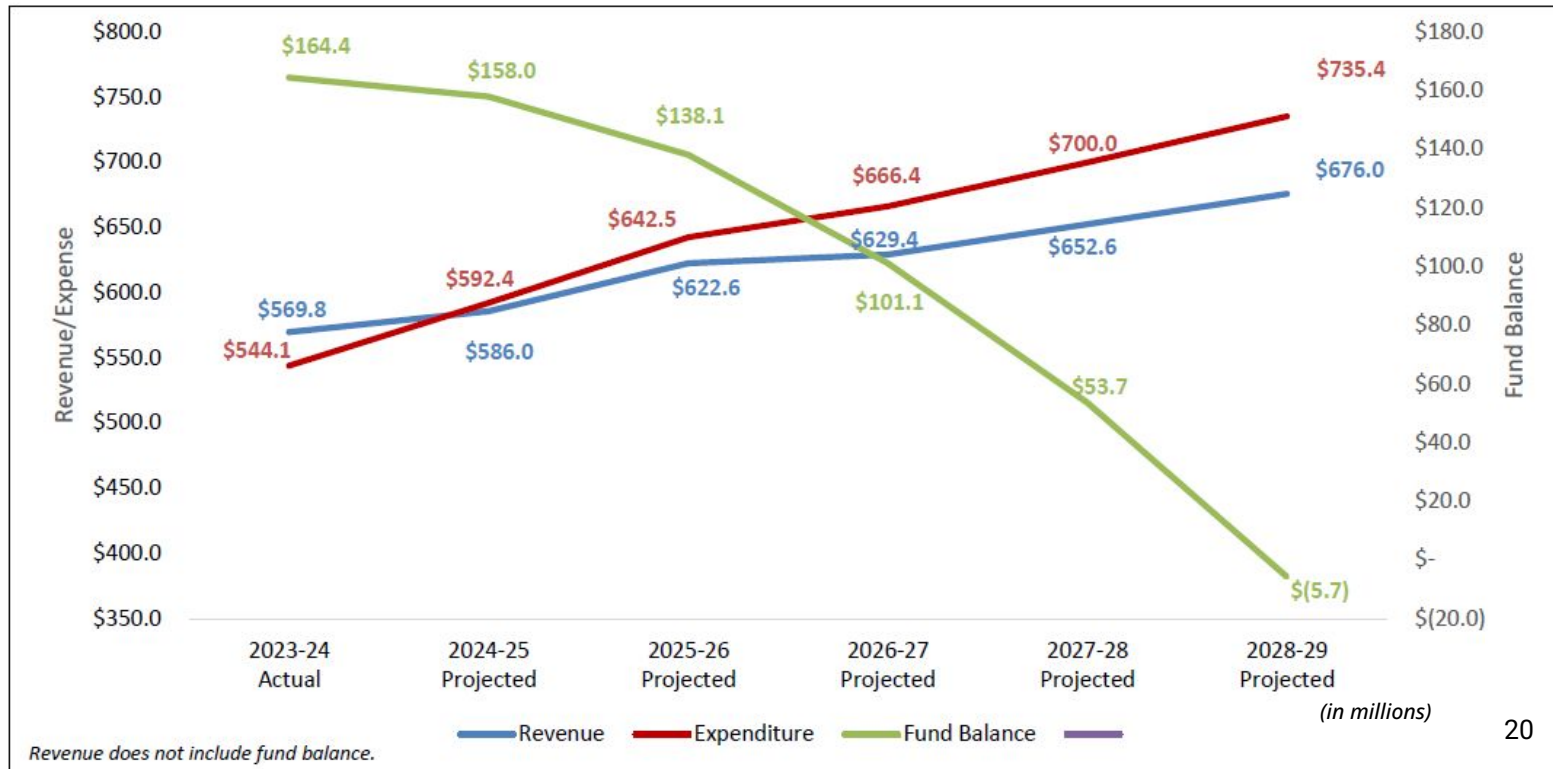
- Based on \$11.36B SSF for 2025-27, 10% increase in 2027-29
- Uses SSF estimates for 2024-25 as of 4/29/25 and 2025-26 as of 6/16/25.
- Includes most recent enrollment projections. 2026-27 is reduced for extended ADMw. Flat in 2027-28.
- Does not include PERS reserve expenditure after 2025-26
- Includes updated PERS rates for new biennium
- Does not include SIA or HSS funds.
- Based on best information available at this time.

# The Numbers

As of August 21, 2025

Resources	2023-2024 Actual	2024-2025 Estimated	2025-2026 Estimated	2026-2027 Estimated	2027-2028 Estimated	2028-2029 Estimated
Beginning Fund Balance	\$ 138,652,119	\$ 164,436,027	\$ 158,025,890	\$ 138,118,759	\$ 101,138,990	\$ 53,721,842
State Controlled	504,547,485	513,783,991	545,218,951	556,899,442	578,394,051	600,107,561
Locally Controlled	65,294,374	72,222,825	77,417,695	72,487,602	74,171,616	75,904,972
<b>Total</b>	<b>\$ 708,493,978</b>	<b>\$ 750,442,843</b>	<b>\$ 780,662,536</b>	<b>\$ 767,505,803</b>	<b>\$ 753,704,657</b>	<b>\$ 729,734,375</b>
Expenditures	2023-2024 Actual	2024-2025 Estimated	2025-2026 Estimated	2026-2027 Estimated	2027-2028 Estimated	2028-2029 Estimated
Salaries	\$ 303,035,265	\$ 331,807,419	\$ 353,855,275	\$ 375,194,776	\$ 395,046,815	\$ 416,051,858
Benefits	182,136,678	198,865,482	218,581,128	222,220,931	232,460,855	243,090,605
All Other	58,886,007	61,744,052	70,107,374	68,951,106	72,475,145	76,268,535
<b>Total</b>	<b>\$ 544,057,951</b>	<b>\$ 592,416,953</b>	<b>\$ 642,543,777</b>	<b>\$ 666,366,813</b>	<b>\$ 699,982,815</b>	<b>\$ 735,410,998</b>
Surplus/(Deficit)	\$ 25,783,908	\$ (6,410,137)	\$ (19,907,131)	\$ (36,979,769)	\$ (47,417,148)	\$ (59,398,465)
<b>Ending Fund Balance</b>	<b>\$ 164,436,027</b>	<b>\$ 158,025,890</b>	<b>\$ 138,118,759</b>	<b>\$ 101,138,990</b>	<b>\$ 53,721,842</b>	<b>\$ (5,676,623)</b>
Financial Reserve (PERS)	24,651,224	32,609,829	40,650,000	41,150,000	41,650,000	42,150,000
<b>Total Reserves</b>	<b>\$ 189,087,251</b>	<b>\$ 190,635,719</b>	<b>\$ 178,768,759</b>	<b>\$ 142,288,990</b>	<b>\$ 95,371,842</b>	<b>\$ 36,473,377</b>

# The Numbers: General Fund Revenue & Expenditure



# Previous Budget Adjustments

- **2023-2024**
  - Added \$1.0M for classroom technology
  - Added \$1.0M for classroom furniture
  - Includes \$2.0M for ERP system
  - Added two PreK Programs (\$0.6M)
  - Central Office reductions of 3% or more
  - Decreased 90.4 positions district-wide
  - Shifted several school-based licensed positions from ESSER to SIA/HSS

# Previous Budget Adjustments

- **2024-2025**

- Additional preK program, expansion of dual language program, MTSS materials, custodial/maintenance supplies and materials (\$2.3M)
- Continue 73.6 FTE previously funded by ESSER (licensed school based positions, social workers, bilingual resource facilitators, teaching & learning positions) (\$9.8M)
- Maintained 104.9 FTE added during the 2023-24 school year (kindergarten paraeducators, newcomer supports, special education supports) (\$7.7M)
- Added 91.6 FTE for ELD/SPED, bus drivers and campus supervisors (\$7.6M)

# Previous Budget Adjustments

- **2025-2026**
  - \$3.9M Secondary Language Arts/English Language Proficiency curriculum adoption (Bond)
  - Shifted \$1.0M for classroom technology and \$1.0M for classroom furniture replacements to Capital Projects Fund
  - Moved \$0.75M in debt service payments to Capital Projects Fund.
  - Budget Reductions (General Fund) \$2.3M:
    - \$141K - School Non-Salary
    - \$756K - Teaching & Learning
    - \$957K - Operations
    - \$591K - All Others at District Office

# Budget Options

- Continue spending at the current service level (no reductions)
- Eliminate the deficit completely in 2026-2027
- Annual reductions on a smaller scale - monitor and adjust annually



# Budget Recommendation

- Review the current Staffing Allocation Methodology (SAM) used for schools to identify priorities for potential reduction
- Targeted budget reductions of approximately \$10 million annually over the next three years
- Monitor and adjust the amount annually based on updated forecasts and the 2027-2029 biennial funding appropriation

# Budget Reduction Scenario

As of August 21, 2025

Resources	2023-2024 Actual	2024-2025 Estimated	2025-2026 Estimated	2026-2027 Estimated	2027-2028 Estimated	2028-2029 Estimated
Beginning Fund Balance	\$ 138,652,119	\$ 164,436,027	\$ 158,025,890	\$ 138,118,759	\$ 111,138,990	\$ 84,226,309
State Controlled	504,547,485	513,783,991	545,218,951	556,899,442	578,394,051	600,107,561
Locally Controlled	65,294,374	72,222,825	77,417,695	72,487,602	74,171,616	75,904,972
<b>Total</b>	<b>\$ 708,493,978</b>	<b>\$ 750,442,843</b>	<b>\$ 780,662,536</b>	<b>\$ 767,505,803</b>	<b>\$ 763,704,657</b>	<b>\$ 760,238,842</b>
Expenditures	2023-2024 Actual	2024-2025 Estimated	2025-2026 Estimated	2026-2027 Estimated	2027-2028 Estimated	2028-2029 Estimated
Salaries	\$ 303,035,265	\$ 331,807,419	\$ 353,855,275	\$ 375,194,776	\$ 395,046,815	\$ 416,051,858
Benefits	182,136,678	198,865,482	218,581,128	222,220,931	232,460,855	243,090,605
All Other	58,886,007	61,744,052	70,107,374	68,951,106	72,475,145	76,268,535
Reduction Year 1	-	-	-	(10,000,000)	(10,504,467)	(11,036,129)
Reduction Year 2	-	-	-	-	(10,000,000)	(10,506,129)
Reduction Year 3	-	-	-	-	-	(10,000,000)
<b>Total</b>	<b>\$ 544,057,951</b>	<b>\$ 592,416,953</b>	<b>\$ 642,543,777</b>	<b>\$ 656,366,813</b>	<b>\$ 679,478,348</b>	<b>\$ 703,868,740</b>
Surplus/(Deficit)	\$ 25,783,908	\$ (6,410,137)	\$ (19,907,131)	\$ (26,979,769)	\$ (26,912,681)	\$ (27,856,207)
<b>Ending Fund Balance</b>	<b>\$ 164,436,027</b>	<b>\$ 158,025,890</b>	<b>\$ 138,118,759</b>	<b>\$ 111,138,990</b>	<b>\$ 84,226,309</b>	<b>\$ 56,370,102</b>
Financial Reserve (PERS)	24,651,224	32,609,829	40,650,000	41,150,000	41,650,000	42,150,000
<b>Total Reserves</b>	<b>\$ 189,087,251</b>	<b>\$ 190,635,719</b>	<b>\$ 178,768,759</b>	<b>\$ 152,288,990</b>	<b>\$ 125,876,309</b>	<b>\$ 98,520,102</b>

# Staffing Allocation Methodology

## 2025-26 SAM

- Resource allocation methodology for schools based on students and demographics (equity lens used)
- Updated methodology was developed in 2019, small adjustments since
- Large team included representation from elementary, middle, high and option schools, Teaching & Learning, Special Education, Multilingual, IT, HR and Business
- Major funding sources are General Fund and Integrated Guidance Grants (SIA, HSS, Early Literacy)

# Staffing Allocation Methodology

- Allocations based on weighted enrollment:
  - Classroom teachers
  - Counselors
  - Assistant principals (secondary)
  - Non-salary
- If revisions are needed:
  - Small SAM (example: Adjustments to FLEX Online)
  - Big SAM (example: Changes to Poverty Weighting)
  - Continuous Improvement Model

# Questions & Comments?

