Welcome to this Public Meeting of the
Hood River County School District Budget Committee
May 5, 2020 – 6:00 p.m.
Virtual meeting, Hood River, OR 97031

6:00 pm I. Welcome and Call to Order
Budget Committee: Board Chair Chrissy Reitz, Board Vice Chair David Russo; Board Members: Corinda Hankins Elliott, Julia Garcia-Ramirez, Tom Scully, Brandi Sheppard and Rich Truax; Community Budget Committee Members: Sarah Cordeiro, Brad McManigal, Tim Counihan, Jesus Becerra, Dale Hill, Angel Reyes, Heather Staten; and Ex-Officio Members Nancy Rowley, OSEA Representative and Charlene Ames, HREA Representative

6:10 pm II. Elect Budget Committee Chair
Chrissy Reitz, Board Chair

6:20 pm III. Elect Budget Committee Vice Chair
Budget Committee Chair

6:25 pm IV. Designate the Administrative Assistant to the Board to take official minutes
Budget Committee Chair

6:30 pm V. Budget Message and Presentation of the Proposed Budget
Saundra Buchanan, Chief Financial Officer & Budget Officer

8:00 pm VI. Public Comment
The Hood River County School District Budget Committee appreciates community members sharing information during public comment. Comments will be limited to three (3) minutes per speaker. Speakers will state their name and home address for the record. While the Budget Committee will not publicly respond, following the meeting the Chair, Vice Chair and Budget Officer will together determine if a response will be made in a public way, a private way or if the issue will be added to a future Committee meeting agenda. Speakers may make statements about the budget or process.

8:15 pm VII. Budget Committee Deliberations
Budget Committee Chair

8:50 pm VIII. Review proposed Budget Committee motions, if ready
Budget Committee Chair

9:00 pm IX. Adjourn or recess meeting until May 12, 2020 at 6:00 pm virtually, as needed
Budget Committee Chair
2020-21 PROPOSED BUDGET
OBJECTIVES

• Role of the Budget Committee
• Organization of the Budget
• Budget Message & Progress Towards 20/20 Vision
• Excellence in Financial Accountability
• Progress of 2016 Capital Projects
• State-wide Budget Implications
• Budget Assumptions
• Public Comment
• Questions & Deliberations of the Budget Committee
ROLE OF THE BUDGET COMMITTEE

• Receives the budget document & hears the budget message
• Hears and considers public comment
• Deliberates the budget
• Approves the property taxes (permanent rate, local option rate & the bond levy)
• Approves the budget (Final authority for programs and services rests with the School Board, who can make changes after budget committee approval)
ORGANIZATION OF THE BUDGET DOCUMENT

• Section 1. Introduction (p. 1-52)
  • Budget Message (p. 5-23)
• Section 2. Financial Information (p. 53-60)
• Section 3. General Fund (p. 61-102)
• Section 4. Other Funds (p. 103-130)
• Section 5. Supplemental Information (p. 131-154)
Every Hood River County School District student will demonstrate positive academic and social growth when all staff members work collaboratively to:

- **Ensure** all students are safe, known and accepted;
- **Establish** high expectations for each student;
- **Teach** and assess the Common Core State Standards;
- **Select** research-based practices;
- **Intervene** with struggling students early, with great intensity, and for as long as it takes;
- **Engage** our diverse and committed community;
- **Target** our resources toward achieving these commitments.
STUDENT OUTCOMES – PROGRESS TOWARDS 20/20 VISION

• K-12 Attendance
• 3rd Grade Literacy
• 5th Grade Math
• 8th Grade Literacy & Math
• Freshman On-Track to Graduate
• Seniors Enrolled in 3+ College Courses
• 4 Year Graduation Rate
Percent of HRCSD Students Maintaining Regular Attendance

<table>
<thead>
<tr>
<th>Year</th>
<th>Attendance</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-13</td>
<td>79</td>
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<tr>
<td>2013-14</td>
<td>84</td>
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<td>2014-15</td>
<td>81</td>
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<td>2015-16</td>
<td>86.4</td>
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<td>2018-19</td>
<td>86.3</td>
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<tr>
<td>2018/19</td>
<td>79.6</td>
</tr>
<tr>
<td>Vision 2020 Target</td>
<td>88.3</td>
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</table>

18/19 Oregon State Average
HRCSD Oregon State Assessment - 3rd Grade Literacy

<table>
<thead>
<tr>
<th>Year</th>
<th>Score</th>
</tr>
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<tbody>
<tr>
<td>2014-15</td>
<td>40</td>
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<tr>
<td>2015-16</td>
<td>38</td>
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<tr>
<td>2016-17</td>
<td>42</td>
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<tr>
<td>2017-18</td>
<td>44</td>
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<td>2018-19</td>
<td>48</td>
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<td>18/19 Oregon State Average</td>
<td>47</td>
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<tr>
<td>Vision 2020 Target</td>
<td>52.2</td>
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</table>
HRCSD Oregon State Assessment - 8th Grade Literacy

<table>
<thead>
<tr>
<th>Year</th>
<th>Literacy Score</th>
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<tbody>
<tr>
<td>2014-15</td>
<td>55</td>
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<td>2015-16</td>
<td>55</td>
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<td>2016-17</td>
<td>63</td>
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<tr>
<td>2017-18</td>
<td>52</td>
</tr>
<tr>
<td>2018-19</td>
<td>66</td>
</tr>
<tr>
<td>2019-20</td>
<td>53</td>
</tr>
</tbody>
</table>

- **18/19 Oregon State Average**
- **Vision 2020 Target**: 69.9
HRCSD Oregon State Assessment - 8th Grade Math

<table>
<thead>
<tr>
<th>Year</th>
<th>Score</th>
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</thead>
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<tr>
<td>2014-15</td>
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<tr>
<td>2015-16</td>
<td>42</td>
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<tr>
<td>2016-17</td>
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<td>2017-18</td>
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<td>2018-19</td>
<td>46</td>
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<tr>
<td>18/19 Oregon State Average</td>
<td>38</td>
</tr>
<tr>
<td>Vision 2020 Target</td>
<td>54.9</td>
</tr>
</tbody>
</table>
Percent of HRVHS 9th Grade On Track

- 2014-15: 82.1%
- 2015-16: 80.7%
- 2016-17: 86.1%
- 2017-18: 88.3%
- 2018-19: 85.4%
- 18'19 Oregon State Average: 85%
- Vision 2020 Target: 90.6%
Percent of HRCSD Seniors Enrolled in 3+ College Courses

- 2014-15: 45%
- 2015-16: 48%
- 2016-17: 49%
- 2017-18: 51.7%
- 2018-19: 54%
- Vision 2020 Target: 52.2%
Percent of HRVHS Students Graduating On Time

- 2011-12: 77.4%
- 2012-13: 81.3%
- 2013-14: 81.4%
- 2014-15: 84.3%
- 2015-16: 81.8%
- 2016-17: 83.7%
- 2017-18: 86.8%
- 2018-19: 85.64%

- 18/19 Oregon State Average: 76.7%
- Vision 2020 Target: 89%
EXCELLENCE IN FINANCIAL ACCOUNTABILITY

• District earned its sixth consecutive unmodified opinion from external auditors with zero findings - the highest commendation possible

• Awarded “Certificate of Excellence in Financial Reporting” by the Association of School Business Officials (ASBO) for fiscal years ending 2017 & 2018

• Awarded “Certificate of Achievement for Excellence in Financial Reporting” by Government Finance Officers Association for fiscal year ending 2018

• S&P Global Ratings raised its underlying rating to AA- from A+ on the District’s GO Bonds on improved financial position (Jan 2019)
PROGRESS OF 2016 CAPITAL PROJECTS

• $79.3m resources over the project period beginning 2016
  • $57,175,000 General Obligation Bond proceeds approved by voters
  • $8,601,732 Bond Premium (bonds sold for more than par value)
  • $4,499,478 State Match Grant
  • $3,970,585 Seismic Improvement Grants from Business Oregon (HRMS, Wy’east MS & Mid Valley Elementary)
  • $1,846,056 Interest on investments
  • $3,216,307 Other (incl Construction Excise Tax funding for HRVHS CTE)
STATE-WIDE BUDGET IMPLICATIONS

• State-wide economic & revenue forecast to be released on May 20
  • Due to COVID-19 closures - uncertainty in income tax revenue, lottery revenue, marijuana tax revenue, Corporate activity tax - all of which support school funding
  • Uncertainty in level of State School Fund $9.0b adopted for 2019-2021 SSF, Measure 98 funds & SIA funds
  • Governor is expected to convene Special Session of Legislature in June to rebalance state budget

• Elementary & Secondary School Emergency Education Relief (ESSEER) Fund
  • Oregon’s Federal Allocation $121.1m
  • HRCSD Estimated Allocation $554,996
STATE GENERAL FUND ALLOTMENT REDUCTIONS

*Governor Brown has requested agencies to prepare for state General Fund budget cuts*

- State agencies directed to prepare 8.5% allotment reductions (across the board cuts) to General Fund (GF) budgets by May 8th.
- Order assumes an approximately $3.0 billion GF revenue reduction on May 20th. With current cash reserves, it effectively becomes a ~ $1.8 billion GF revenue deficit for the 19-21 biennium. Cash reserves are eliminated due to decline in revenue projections.
- Approx. $1.5 billion currently projected in the Education Stability fund and the state Rainy Day Fund.
STATE GENERAL FUND ALLOTMENT REDUCTIONS

Governor Brown has requested agencies to prepare for state General Fund budget cuts

• 2019-21 State School Fund Appropriation - $9.0 billion

• 2019-21 SSF Funding by Source: State General Fund - $7.7 billion; Other Funds - $1.3 Billion (Lottery proceeds $535 million, Marijuana Tax $103 million, Corporate Activity Tax $643 million, Other $5 million)

• Governor’s allotment reductions do not apply to Other Funds – likely to see significant decreases in lottery funds in next revenue forecast.

• The 8.5% reduction to the State School Fund = $655.6 million ($7.713 billion GF portion of the SSF x 8.5%), but has the effect of a 17% reduction if taken entirely in the 2020-21 school year
## FINANCIAL SUMMARY (p. 53)

### Hood River County School District

#### Schedule of Requirements by Fund

**2020-21 Proposed Budget**

<table>
<thead>
<tr>
<th>Fund</th>
<th>Staff FTE</th>
<th>Instruction</th>
<th>Support Services</th>
<th>Community Services</th>
<th>Facilities Acquisition and Construction</th>
<th>Debt Service</th>
<th>Interfund Transfers</th>
<th>Total Appropriations</th>
<th>Total Appropriations</th>
<th>Amount Reserved for Future Expenditure</th>
<th>Unappropriated Ending Fund Balance</th>
<th>Total Requirements</th>
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<tr>
<td>General Fund</td>
<td>457.12</td>
<td>33,493,556</td>
<td>20,907,259</td>
<td>56,003</td>
<td>-</td>
<td>263,958</td>
<td>-</td>
<td>384,531</td>
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<td>-</td>
<td>-</td>
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<td>482,816</td>
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<td>Student Body Funds</td>
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<td>-</td>
<td>1,791,562</td>
<td>-</td>
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<td>Community Education</td>
<td>13.03</td>
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<td>Biennial Reserve</td>
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<td>-</td>
<td>-</td>
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<td>1,343,040</td>
<td>1,974,094</td>
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<td>Unemployment Fund</td>
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<td>60,000</td>
<td>267,248</td>
<td>327,248</td>
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<td>Bus Replacement Fund</td>
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<td>197,401</td>
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<td>-</td>
<td>197,401</td>
<td>-</td>
<td>197,401</td>
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<td>Grant Funds</td>
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<td>9,406,693</td>
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<td>Debt Service Fund</td>
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<td>4,572,700</td>
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<tr>
<td>Capital Construction and Improvements</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>8,288,216</td>
<td>50,000</td>
<td>-</td>
<td>8,338,216</td>
<td>3,641,766</td>
<td>3,719,808</td>
<td>91,111,983</td>
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<tr>
<td><strong>Grand Total Requirements</strong></td>
<td>528.71</td>
<td>40,822,979</td>
<td>24,858,491</td>
<td>3,091,494</td>
<td>8,288,216</td>
<td>4,836,858</td>
<td>1,468,040</td>
<td>384,531</td>
<td>83,750,410</td>
<td>3,641,766</td>
<td>3,719,808</td>
<td>91,111,983</td>
</tr>
</tbody>
</table>
TOTAL FUNDS EXPENSES $83.8M

- General Fund 65.8%
- Food Service Fund 2.1%
- Student Body Funds 2.1%
- Community Education 1.4%
- Biennial Reserve 1.6%
- Unemployment Fund 0.1%
- Bus Replacement Fund 0.2%
- Grant Funds 11.2%
- Debt Service Fund 5.5%
- Capital Construction and Improvements 10.0%
GENERAL FUND OPERATING REVENUE $51.4M

- State School Fund Resources 88.1%
- Local Option Resources 6.4%
- ESD Revenue 3.5%
- Other Local 1.2%
- Other State 0.7%
- Other Federal <1%
STATE SCHOOL FUND

• State School Fund Resources 88.1% of General Fund operating revenue
  • State School Fund Estimated on Adopted Budget of $9.0 billion split 49%/51%
  • Local property taxes, Common School Fund, State timber money, Federal forest fees are all considered resources of the State School Fund
  • Student Enrollment (ADM) is the most important factor in projecting SSF revenue (3,996 ADM projected)
  • Weighted student enrollment drives funding (5,006 ADMw projected)
  • Extended ADMw is the greater of the current or prior year’s ADMw (5,014 Extended ADMw projected)

More detailed information is shown on pages 57-60
HRCSD Enrollment History by Month

Number of Students

Sept 1st Week | September | October | November | December | January | February | March | April | May | June

15-16 | 16-17 | 17-18 | 18-19 | 19-20
LOCAL OPTION LEVY

• Approved Local Option Levy Rate of $1.25/$1,000 TAV
• Proposed budget estimates local option levy resources based on $1.20/$1,000 TAV imposed
  • The Budget Committee will have an opportunity to deliberate on the amount of the Local Option Levy limit to impose.

More information is shown on pages 44-47
GENERAL FUND OPERATING EXPENSES $55.1M

- Instruction 60.8%
- Support Services 37.9%
- Community Services 0.1%
- Debt Service 0.5%
- Contingency 0.7%
GENERAL FUND EXPENSE BY OBJECT $55.1M

Salaries 51.5%
Assoc. Payroll Costs 33.7%
Purchased Services 7.8%
Supplies & Materials 4.8%
Capital Outlay 0.1%
Other Goods & Services 1.5%
Contingency 0.7%
STAFFING & BUDGET ASSUMPTIONS

• Total staffing of 528.71 FTE (full-time equivalent)
  • 457.12 FTE General Fund
  • 20.84 FTE Food Service Fund
  • 13.03 Community Education Fund
  • 37.72 Grant Funds

• Staffing allocation based on projected enrollment of 3,996 students

More information is shown on page 35
### BUDGET ASSUMPTIONS - PERS

<table>
<thead>
<tr>
<th>Employee Membership Tier</th>
<th>2017-19 Adopted Rate</th>
<th>2019-21 Adopted Rate</th>
<th>Change to Contribution Rate</th>
<th>Percentage Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1/Tier 2</td>
<td>16.3%</td>
<td>20.03%</td>
<td>4.00%</td>
<td>25%</td>
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<tr>
<td>OPSRP</td>
<td>10.70%</td>
<td>14.58%</td>
<td>3.88%</td>
<td>36.3%</td>
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</tbody>
</table>
District Total PERS Rates as a Percent of Salary incl. employer contribution rate, pick-up rate & pension bond rate

- Total Tier1/2
- Total OPSRP

Yearly rates:
- 2013-15: 27.29%
- 2015-17: 26.76%
- 2017-19: 31.53%
- 2019-21: 35.53%
- 2021-23 Advisory: 34.42%
- Total Tier1/2: 29.29%
- Total OPSRP: 31.91%
OTHER BUDGET ASSUMPTIONS

• Collective bargaining agreements in place through the end of 2019-20
• Other employment agreements in place through the end of 2019-20
• District contributions for health insurance costs estimated using best available information
• PERS exact rates used for filled positions. OPSRP rates used for vacancies.
• Workers’ compensation premium rates reflect higher mod rate
• Social security, Medicare, unemployment and workers’ benefit fund assessment rates are actual
BUDGET ASSUMPTIONS FOR CONTINGENCY, RESERVES, ENDING FUND BAL.

• Contingency reserve to 0.75% of operating revenue
  • Board policy sets minimum of 0.50%

• General Fund ending fund balance is projected at 8.2% of operating revenue equal to $4.2m
  • Board policy sets minimum of 5.0% with current Board goal of 8.0%
  • 3.2% shown as amount reserved for future expenditure

• Biennial Reserve Fund ending fund balance projected at 3.8% of operating revenue of $1.97m shown as amount reserved for future expenditure
OTHER FUNDS (section 4)

• Food Service Fund appropriation $1,731,001
  • Unappropriated ending fund balance $482,816
• Student Body Fund appropriation $1,791,562
• Community Education Fund appropriation $1,203,690
• Biennial Reserve Fund appropriation $1,343,040
  • Amount reserved for future expenditure $1,974,094
• Unemployment Reserve Fund appropriation $60,000
  • Unappropriated ending fund balance $267,248
• Bus Replacement appropriation $197,401
• Grant Fund appropriation $9,406,693
• Debt Service Fund $4,572,700
• Capital Construction Fund $8,338,216
  • Unappropriated ending fund balance $406,201
PROPERTY TAX LEVIES

• Voter-approved 5-year Local Option Levy limit up to $1.25/$1,000 Taxable Assessed Value (TAV) (pages 44-47)
  • Proposed budget includes resources from levy set at $1.20/$1,000 TAV
  • With current uncertainty in the level of State school funding for 2020-21 due to the economic downturn, we are now recommending the Budget Committee consider imposing the full local option levy rate of $1.25/$1,000

• Permanent Tax Rate of $4.8119/$1,000 TAV for operations
• Tax for Bonded Indebtedness for the Debt Service Fund
  • $4,176,313 for repayment of general obligation bonds
• Required approvals:
  • The Budget Committee approves a local option rate to impose for 2020-21, approves the permanent tax rate, and approves the amount of tax for bonds
  • The School Board then considers and adopts the tax levies in June
• PUBLIC COMMENT

• QUESTIONS & DELIBERATIONS
Proposed Budget Committee Motions
Fiscal Year 2020-21

Proposed Motion #1

I move to approve the taxes provided for in the proposed budget of:

1) a local option levy operating tax rate of $______ ($1.25 limit) per $1,000 of assessed value for General Fund operations; and
2) a permanent tax rate of $4.8119 per $1,000 of assessed value for General Fund operations; and
3) a tax for bonded indebtedness in the amount of $4,176,313 for the Debt Service Fund.

Motion made by: _______________ Motion seconded by: _______________

Passed/failed: _______________

______________________________________________________________
Budget Committee Chair      Date

______________________________________________________________
Budget Officer       Date
Proposed Budget Committee Motions
Fiscal Year 2020-21

Proposed Motion #2

I move to approve the Hood River County School District budget for the 2020-21 fiscal year ending June 30, 2021 in the total appropriations amount of $83,750,410 and the total appropriations per fund, as shown below; total amount reserved for future expenditure of $3,641,766; and total unappropriated ending fund balances of $3,719,808 for a total budget of $91,111,983.

<table>
<thead>
<tr>
<th>2020-21 Budget Appropriations by Fund</th>
<th>Total</th>
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<tbody>
<tr>
<td>100 General Fund</td>
<td>$55,106,107</td>
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<tr>
<td>200 Food Service Fund</td>
<td>1,731,001</td>
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<tr>
<td>204 Student Body Funds</td>
<td>1,791,562</td>
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<tr>
<td>205 Community Education Fund</td>
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<tr>
<td>207 Biennial Reserve Fund</td>
<td>1,343,040</td>
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<tr>
<td>210 Unemployment Fund</td>
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<tr>
<td>212 Bus Replacement Fund</td>
<td>197,401</td>
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<tr>
<td>2XX Grant Funds</td>
<td>9,406,693</td>
</tr>
<tr>
<td>300 Debt Service Fund</td>
<td>4,572,700</td>
</tr>
<tr>
<td>4XX Capital Construction &amp; Improvements Funds</td>
<td>8,338,216</td>
</tr>
<tr>
<td><strong>Total Appropriations, All Funds</strong></td>
<td><strong>$83,750,410</strong></td>
</tr>
</tbody>
</table>

| Total Amount Reserved for Future Expenditure, All Funds | $3,641,766 |
| Total Unappropriated Ending Fund Balances, All Funds   | $3,719,808 |
| **Total Budget**                                        | **$91,111,983** |

Motion made by: _______________ Motion seconded by: _______________
Passed/failed: _______________

______________________________________________________________
Budget Committee Chair       Date

______________________________________________________________
Budget Officer       Date