

ASHLAND PUBLIC SCHOOLS

JACKSON COUNTY SCHOOL DISTRICT #5

Kelly Raymond
Superintendent



Inspiring Learning for Life

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May 1, 2019

Dear Members of the Ashland School Board, Budget Committee, Community and Colleagues:

This budget plan is respectfully submitted to the Ashland School District's Board and Budget Committee. This budget is our spending plan for the 2019-20 school year. The overall budget for 2019-20 is \$185,349,166. The budget is \$131,463,893 greater than the previous year. This increase is largely due to our projected bond proceeds and bond premium totaling \$129,191,456 that will be received by the District at the end of this current year. The General Fund budget for Ashland School District is projected to increase by \$1,424,015 to a budget of \$37,382,220. The projected General Fund revenue is based on the State School Fund appropriation of \$8.87 billion (49/51 Split) for the 2019-21 biennium and *weighted* Average Daily Membership (ADMw) of 3403 as well as increased local tax revenues.

Exhibit 1 - Budget Resource Summary for All Funds

	Actual 2016-17	Budget 2017-18	Budget 2018-19	Proposed 2019-20	Increase/ (Decrease)
100 - General Fund	\$28,780,825	\$33,358,207	\$35,958,205	\$37,382,220	\$1,424,015
200 - Special Revenue	\$2,136,218	\$3,609,170	\$3,790,623	\$3,861,918	\$71,295
300 - Debt Service	\$6,317,747	\$6,453,938	\$6,500,000	\$6,876,022	\$376,022
400 - Capital	\$380,288	\$890,000	\$1,080,000	\$130,521,963	\$129,441,963
600 - Insurance	\$5,405,369	\$6,055,000	\$6,338,383	\$6,518,266	\$179,883
700 - Trust & Agency	\$82,667	\$250,023	\$218,062	\$188,777	(\$29,285)
Total	\$43,103,114	\$50,616,338	\$53,885,273	\$185,349,166	\$131,463,893

Accounting Policies

The Ashland School District prepares the budget and financial statements on a modified accrual basis. This means that expenditures and revenues are recorded when they are incurred and committed respectively. The General Fund will continue to include revenues from student fees and admissions to drama and athletic events. Expenditure authority equal to these revenues will be allocated to each school as they are received. As specific fees and admissions are collected, schools will monitor the receipts and have access to expend the money in a timely manner. The existing student body accounts in Special Revenues Fund 200 will continue to be used to account for student-led activities. New construction projects enabled by General Obligation Bonds will be recorded in Fund 400 and related Debt Service in Fund 300.

Budgetary Process

The District prepares an annual budget in accordance with Oregon Local Budget Law (ORS Chapter 294), which establishes standard procedures for all budget functions for Oregon local governments. Under the applicable provisions, there must be public participation in the budget process and the adopted budget must be balanced.

The District's administrative staff evaluates the budget requests of the various departments of the District to determine the funding levels of the operating programs. The budget is presented to the public through public hearings held by a budget committee consisting of Board members and lay members. After giving due consideration to the input received from the citizens, the Board of Directors adopts the budget, authorizes the levying of taxes and sets appropriations. The budget must be adopted no later than June 30 of each Fiscal Year. The budget may be amended during the applicable Fiscal Year through the adoption of a supplemental budget. Supplemental budgets may be adopted by the Board of Directors pursuant to ORS 294.480.

Budget Highlights

The budget has been prepared with the intent to ensure alignment to our 2018-2023 Pathways to Excellence Strategic Plan and to have an equitable distribution of resources among K-12. Our Strategic Plan Goals are as follows and outlined are strategies we aim to fund in the 2019-20 budget:

Goal #1: Improve Student Achievement

- Implement a K-12 multi-tiered system of support (MTSS)
- Provide professional development opportunities for staff in Math and Reading
- Provide authentic curricula for relevant and rigorous learning opportunities for all students
- Align lessons/curricula to Common Core State Standards
- Enhance Career Technical Education Programs

Goal #2: Increase the Recruitment and Retention of High Quality and Culturally Diverse Staff

- Identify and implement effective strategies to recruit and retain quality, diverse and culturally proficient staff
- Conduct surveys to assess areas of strength and improvement (administrative, certified, and classified)
- Analyze staff retention data and implement strategies to reduce turnover
- Implement a mentorship program using staff to support all new hires

Goal #3: Create and maintain a safe, welcoming, supportive and inclusive environment for all students and staff

- Provide professional learning opportunities on equity, diversity and inclusion for staff
- Grow school-based health supports such as school nursing, trauma-informed practices, mental health services and drug/alcohol treatment
- Adopt and implement culturally responsive curricula and instructional strategies

Revenue

The Co-Chairs' of Oregon's legislative joint Ways and Means Budget of 8.87 Billion for the biennium is the basis for our State School Fund revenue projection. State School Fund (SSF) estimates for our District were initially provided by the Oregon Department of Education (ODE) on March 4, 2019 based on the Governors' Budget of 8.97 Billion. Most recently, on March 15, 2019 we received an updated estimate from ODE based on the Co-Chairs Budget. At this point, the State budget is pending approval of HB 3427. The bill appropriates \$200 million in new revenue to the State School Fund during the 2019-21 biennium. This revenue will increase the total SSF appropriation to \$8.97 billion and if the bill is approved the Ashland School District is estimated to receive additional funding of \$137,227 that would supplement our ending fund balance contingency.

We are also pleased to include the projected increase in Capital Projects Fund revenue due to the authorized issuance of \$109,000,000 in General Obligation Bonds approved on November 6, 2018. Of those that cast ballots, 69% voted in favor of and 31% voted against the issuance. We are grateful to the community for supporting our initiative to improve school facilities and look forward to beginning capital projects in 2019-20. Our General Obligation (G.O) Bonds will be available for purchase on May 8th and we anticipate to receive Bond Proceeds and Premium totaling \$129,191,456 at the end of this year that will roll over into the Capital Project Fund (400) Beginning Fund Balance in 2019-20.

Our District also continues to benefit from the Youth Activities and Academics Levy (YAAL). The YAAL is a five year Local Option Levy in the amount of \$1.29 per \$1,000 of assessed value that was approved by voters on May 19, 2015, with such Local Option Levy expiring at the end of Fiscal Year 2020. The YAAL has been essential to providing our District with the ability to offer a myriad of Athletic Programs and Extra-Curricular activities that enhance the education of our students. The District will plan to request renewal of this levy in 2019-20.

Expenditures

Goal# 1: In order to improve student achievement and support implementation of a K-12 multi-tiered system of support (MTSS) the District will be increasing General Fund Certified FTE specifically for a .30 FTE Math Specialist and .30 FTE Reading Specialists at each of our 3 elementary schools and .10 FTE Child Development Specialist at Bellview. Currently, our Reading Specialists do not have permanent funding and have historically been supported by our Federal Title IA Grant. In addition, the General Fund

budget includes \$5,000 for ELL Program Professional Development to improve student reading. The District also plans to adopt K-12 vertically aligned Social Studies curriculum and has budgeted over \$250,000 towards this effort. Lastly, we plan to continue to expand our Career Technical Education (CTE) programs at the Middle School and High School and have budgeted approximately \$700,000 (General Fund \$430,000 and Measure 98 – Special Revenue Fund \$276,000). We will be offering professional development in Secondary Math from Title IIA. Professional Development for Reading Teachers will continue based on individual school improvement plans an aligned to common core.

Goal# 2: In order to increase the recruitment and retention of high quality and culturally diverse staff we budgeted to purchase Frontline Recruit and Hire Software that will increase our pool of culturally diverse staff. We will also purchase the Frontline Professional Growth system to support staff evaluation for increased student achievement and retention. Our budget also includes funding for a comprehensive staff and student survey to ensure we meet metric goals surrounding student achievement and retention.

The District will also be lifting the 3 hour educational assistant requirement in hopes of improving retention. This lift is estimated to cost the district approximately \$78,000 in associated payroll costs and has been budgeted accordingly. Our mentorship program using staff to support new hires was successfully implemented this year and therefore will continue in 2019-20, the budgeted cost is \$25,000 and the program will be funded by Title IIA. We will continue to fund the Teacher evaluation committee for improvement to our evaluation process.

Goal# 3: In order to create and maintain a safe, welcoming, supportive and inclusive environment for all students and staff the budget includes professional development expenditures under Title IIA for EDI and culturally responsive training. In addition, over \$91,000 is budgeted within the General Fund for instructional professional development aligned with School Improvement plans. In order to grow our school based health supports we have contracted with Family Solutions for counseling services at our Highs School, Asante for Nursing Services and Advanced Medical for Speech and Audiology Services and the budgeted costs for these contracted services is \$247,642.

<i>Exhibit 2 - FTE Summary ¹</i>						
<i>summarizes personnel over a 5 year period</i>						
Employee Category	Budget 2015-16	Budget 2016-17	Budget 2017-18	Budget 2018-19	Budget 2019-20	Increase/ (Decrease)
Certified	151.67	162.10	159.78	153.42	165.91	12.491
Classified	134.1	138.41	143.55	138.91	139.64	0.7334
Confidential	5	5	6	5	5	0
Supervisory	4	4	5	5	6	1
Administrator	12.5	13.5	13.5	13.5	12.50	-1
Total	307.27	323.01	327.83	315.83	329.05	13.2244

1. The increase in certified staff includes .30 Math and .30 Reading Specialist for our 3 elementary sites and .10 CDS for Bellview. In addition, temporary positions with FTE are recorded this year.

istrict Funds

General Fund (100): The General Fund budget is \$37,382,220 compared to \$35,958,205 the previous year. This increase of \$1,424,015 is primarily attributable to increased local taxes and State School Fund support.

General Fund revenue is supplied primarily by local taxes (permanent rate and local-option), the common school fund, and State appropriations, as shown in *Exhibit 3*. State appropriations are allocated to the Districts based on a weighted average daily membership of students. In the State School Fund Formula, local property taxes, common school fund and ESD funding are used as an offset and per pupil funding is equalized.

Exhibit 3 presents an overview of General Fund revenue over a four-year period.

<i>Exhibit 3 - General Fund Revenue</i>						
State Formula	Actual 2016-17	Actual 2017-18	Budget 2018-19	Proposed Budget 2019-20	Increase/ (Decrease)	Percent Change
Property Taxes	13,440,291	13,379,112	14,126,805	14,409,341	282,536	2.00%
Common School Fund	526,581	351,595	288,389	281,577	-6,812	-2.36%
Federal Forest Fees	14,256	36,504	10,000	40,000	30,000	300.00%
State Formula	11,381,966	12,065,198	12,661,238	13,687,018	1,025,780	8.10%
Subtotal	25,363,094	25,832,409	27,086,432	28,417,936	1,331,504	4.92%
YAAL Taxes	3,282,953	3,461,681	3,676,920	3,860,766.00	183,846	5.00%
Rentals	428,972	336,852	369,682	345,000.00	-24,682	-6.68%
Student Fees	417,812	372,147	420,000	455,000.00	35,000	8.33%
Contributions	272,262	273,741	318,070	300,000.00	-18,070	-5.68%
Transfers In	0	0	0	0.00	0	0.00%
Carryover	2,585,524	3,587,141	3,240,000	2,830,752.00	-409,248	-12.63%
Other Revenue	-1,880,847	670,082	847,101	1,172,766.00	325,665	38.44%
Subtotal	5,106,676	8,701,645	8,871,773	8,964,284	92,511	1.04%
Total Resources	30,469,770	34,534,053	35,958,205	37,382,220	2,443,397	6.80%

Exhibit 4 presents an overview of General Fund expenditures by major object over a five-year period.

<i>Exhibit 4 - General Fund Expenditures by Major Object</i>						
	Actual	Actual	Budget	Budget	Increase/	Percent
	2016-17	2017-18	2018-19	2019-20	(Decrease)	Change
Salaries/Benefits	24,729,120	26,935,638	27,876,419	29,314,665	1,438,246	5.16%
Services	2,980,499	2,818,279	2,428,122	2,582,102	153,980	6.34%
Supplies/Materials	1,272,540	1,278,720	2,161,106	2,027,074	-134,032	-6.20%
Capital Outlay	-	\$17,600.00	-	10,500	10,500	100.00%
Dues/Insurance	292,715	293,139	290,344	321,719	31,375	10.81%
Transfers/Transits	193,278	241,750	207,660	226,160	18,500	8.91%
Contingency/Fund Balance	1,001,618	2,948,927	2,994,554	2,900,000	-94,554	-3.16%
Total	30,469,770	34,534,053	35,958,205	37,382,220	1,424,015	3.96%

Exhibit 5 shows General Fund expenditures by Distributed Accountability Centers for schools or departments.

<i>Exhibit 5 - General Fund Expenditures by DAC</i>							
	Actual	Actual	Actual	Budget	Budget	Increase/	Percent
	2015-16	2016-17	2017-18	2018-19	2019-20	(Decrease)	Change
Bellview	1,868,122	1,908,079	2,078,028	2,187,851	2,206,651	18,800	0.86%
Helman	1,879,606	1,949,823	2,093,530	2,284,603	2,357,214	72,611	3.18%
Walker	1,911,259	1,957,191	2,146,132	2,170,650	2,341,913	171,263	7.89%
Willow Wind	1,091,773	1,131,562	1,212,117	1,158,198	1,275,865	117,667	10.16%
John Muir	754,769	781,083	866,175	906,016	915,840	9,824	1.08%
AMS	4,300,044	4,381,109	4,594,837	4,846,325	4,691,212	-155,113	-3.20%
AHS	7,553,299	7,579,917	8,378,508	8,634,896	8,512,303	-122,593	-1.42%
Student Services	2,752,928	2,797,080	3,227,526	3,240,029	3,679,711	439,682	13.57%
Transportation	858,371	931,523	957,788	1,006,144	974,300	-31,844	-3.16%
Technology		1,081,096	1,327,775	1,566,411	1,545,917	-20,494	-1.31%
Maintenance ¹	1,152,338	1,208,664	1,235,928	1,211,943	2,319,290	1,107,347	91.37%
District Office	1,400,933	1,498,503	1,555,317	1,553,635	1,539,362	-14,273	-0.92%
District Wide ²	2,162,850	3,475,195	3,684,546	5,191,504	5,022,643	-168,861	-3.25%
Total	27,686,292	30,680,825	33,358,207	35,958,205	37,382,220	1,424,015	3.96%

¹ The maintenance staff was previously coded to specific school centers but are now consolidated under 008-Maintenance

² Includes Center 020 District Wide, 002 Briscoe \$1, 466, and 004-Lincoln \$46,638

Youth Activities and Academics Levy Fund (100-subarea 101): The voters renewed the Youth Activities and Academics Levy (YAAL) in May of 2015 for five years. The 2015 election was the fourth voter renewal of the YAAL, which is a local option levy for the Ashland School District. As such, it is treated as a General Fund resource. This levy of \$1.29 per thousand of assessed value is estimated to generate \$3,860,766 of the 2019-20 general fund revenues. The increase over the FY2018 budgeted amount is the result of continued increases to assessed property values. The YAAL provides vital funding to this District and we are very grateful for this ongoing community support.

Debt Service Fund (300): Included in this budget is the debt service payment of \$6,876,022 for our 2019 bond series. The levy rate to generate sufficient revenue will be \$2.00 per \$1,000 of assessed value. The levy will raise sufficient revenue to pay our annual principal and interest payments for our outstanding long term debt. The 2007 General Obligation Bonds will mature this current year and are not included in the levy for 2019-20.

Outstanding Long-Term Debt

<i>Outstanding Long-Term Debt – The District</i>				
Issue	Issue Date	Final Maturity	Original Amount	Outstanding Amount
General Obligation Bonds				
Series 2007 General Obligation Bonds	06/19/2007	06/15/2019	\$46,800,000	\$ 5,950,000
The Bonds ¹	06/05/2019	06/15/2044	107,380,000	107,380,000
Total Outstanding Long-Term Debt				\$113,330,000

Capital Construction Fund (400): The District will issue \$107,380,000 million in bonds this year and anticipates receiving additional bond premium proceeds totaling \$22,005,656 for total Capital Program funding of \$129,191,456. Our bond proceeds are restricted to tax-exempt financing rules that require the District to spend at least 5% of the bond proceeds within 6 months from the date of issuance and at least 85% of the bond proceeds within 3 years from the date of issuance. For further information we have included our spend down schedule as an appendix following this budget message.

The District plans to fund Capital Construction Projects over the next three years as follows:

- Safety enhancements district-wide
- HVAC and mechanical/electrical/plumbing upgrades (includes focus on green technology, renewable energy, and operational efficiency) district-wide
- Seismic upgrades for earthquake safety in student buildings district-wide
- Improvements to bathrooms district-wide

- Technology infrastructure with enhanced internet connectivity
- Replace/rebuild older buildings at AMS to promote modern learning and operational efficiency
- Accessibility and flexibility upgrades for AHS Humanities and Science Buildings
- Comprehensive renovation at Walker (and reconfigured point of entry) to enhance safety and improve student circulation
- Redesigned Helman classroom wing and entry, creating secure student circulation
- Renovate or replace Helman classroom buildings to enhance the learning environment, safety, and student circulation

In addition there is an approximate beginning fund balance of \$1,105,507 in two capital construction reserve accounts (Capital Projects and Construction Excise Tax). Another \$45,000 is set aside in the Fund for the fourth year of the ten-year replacement cycle of the turf. The \$45,000 per year set-aside comes from Construction Excise Tax revenues and savings from the more efficient field. Construction Excise Tax is budgeted at \$180,000.

Internal-Insurance Fund (600): Beginning in the 2009-10 fiscal year, the District shifted the way it accounted for the self-funded health insurance program. The Insurance Fund now receives monthly premiums based on employees' health insurance selections, and all claims are processed from this fund. Prior to 2009-10 the activity was recorded in the General Fund. This change has added stability to the General Fund and allows the Insurance Fund to respond to the differences in claims from month to month. The Insurance Fund is also used to account for the workers comp insurance program and the unemployment program. We are fortunate to have partnered with Sophus Health for consulting an actuarial services as they provide regular comprehensive review and analysis to our Health Insurance Committee and we have been able to reduce costs without compromising health and wellness for our District employees. We do not anticipate increased health plan costs in 2019-20.

Looking Ahead

The Ashland School District is excited to begin the design phase for our upcoming Capital Bond Program. The program aims to ensure equity between the learning environments at each of the facilities, while modernizing the physical plants to relevant environmental, safety and security standards. Program goals include:

- Increase or improve health and safety
- Prioritize flexibility and adaptability
- Be sustainable and energy efficient
- Promote inclusiveness
- Promote financial stewardship
- Standardize facility systems
- Plan for the future

We have partnered with HMK Company for Program Management in order to achieve our program goals within our aggressive three year timeline and have drafted a comprehensive program implementation plan (PIP) which is now available for review on our website. We invite community members to participate and share their ideas and opinions throughout the course of the program and the Bond

Oversight Committee is scheduled to convene this month.

The Ashland School District Bond Oversight Committee is established as a committee of the Board of Directors (Oregon Public Meeting Laws Apply). The purpose and authority of the Oversight Committee is to convene as needed to review progress on the District Bond Measure to ensure the purpose and promise of the bond measure is fully realized. The Committee shall provide review of project scopes, schedules and budgets. Further, the Committee may be asked to consider project modifications if inflationary increases in constructions costs exceed current budget estimates. The Committee shall act in an advisory role providing periodic updates to the School Board. The Committee has no authority to make decisions on behalf of the School Board nor make or implement policy. The Oversight Committee shall report as least quarterly to the Board of Directors regarding program progress.

Ashland School District continues to provide exceptional academic and extra-curricular opportunities to our students, thanks to our generous and supportive community. This proposed budget allocates resources in a manner that allows us to continue providing these excellent opportunities to all Ashland School District students. It is our privilege to serve this outstanding community.

Respectfully submitted,

Kelly Raymond, Superintendent