

2019-20 Budget Information

Prepared 5/1/19

Eleven Years of Funding in HSD

The last eleven years have brought significant volatility to the U.S. and local economy, state-level revenue, K-12 funding, and to HSD's budget. Below is a table representing the major impacts to our District over that time span.

2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
-\$3.47M	-\$18.3M +\$6M	-\$8.3M	-\$18.9M	-\$8.15M +\$852K	-\$8.576M	+\$6.2M	+\$2.44M	-\$2.33M	-\$7.713M	-\$5.68M
0 days	-4 days +4 days* (*M66 & M67)	-6 days	-5 days	-5 days	-5 days +3 days* (*Gain Share)	-1 day +1 day* (*Add'l. Gain Share)	0 days	0 days	0 days	0 days

Net reduction in roll-up costs of \$65.93M - **\$15.72M in last 3 years alone**

Net reduction of 18 days

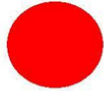
Factors Affecting HSD's General Fund Budget

- **Insufficient proposed allocation to K-12 education** in 2019-21 biennium
- **Lower** than anticipated **enrollment**
- **Changes in student demographics**
- **Increasing PERS employer rates*** (*These rate increases affect all districts, but the amount of impact varies based on how much of their PERS liability they have bonded and when they did so. In the Hillsboro School District, every increase of 1% in PERS employer rates costs us approximately \$1M)
 - PERS employer rate increases of 5% per year in 2019-20 & 2020-21
 - PERS Reserve Fund, created by the Board several years ago, exhausted in 2018-19 school year

2019-21 Budget Scenarios

*HSD receives approximately 3.5% of all State School Fund revenue, divided 49%/51% over the two years of the biennium
Examples provided for funding scenarios are for comparison purposes only*

**\$8.87
Billion**



**-\$20.86M –
Co-Chairs’
K-12 Proposal**
Loss of 98 teachers or
25 school days

**\$8.972
Billion**



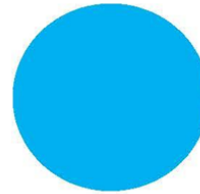
**-\$17.3M –
Gov’s Initial
K-12 Proposal**
Loss of 82 teachers or
21 school days

**\$9.462
Billion**



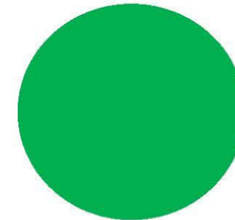
No Cuts Budget
Status quo with 2018-19

**\$9.972
Billion**



**+ 18.1M - Gov.’s
Reinvestment
Plan**
Add 61 teachers and 3
school days

**\$10.77
Billion**



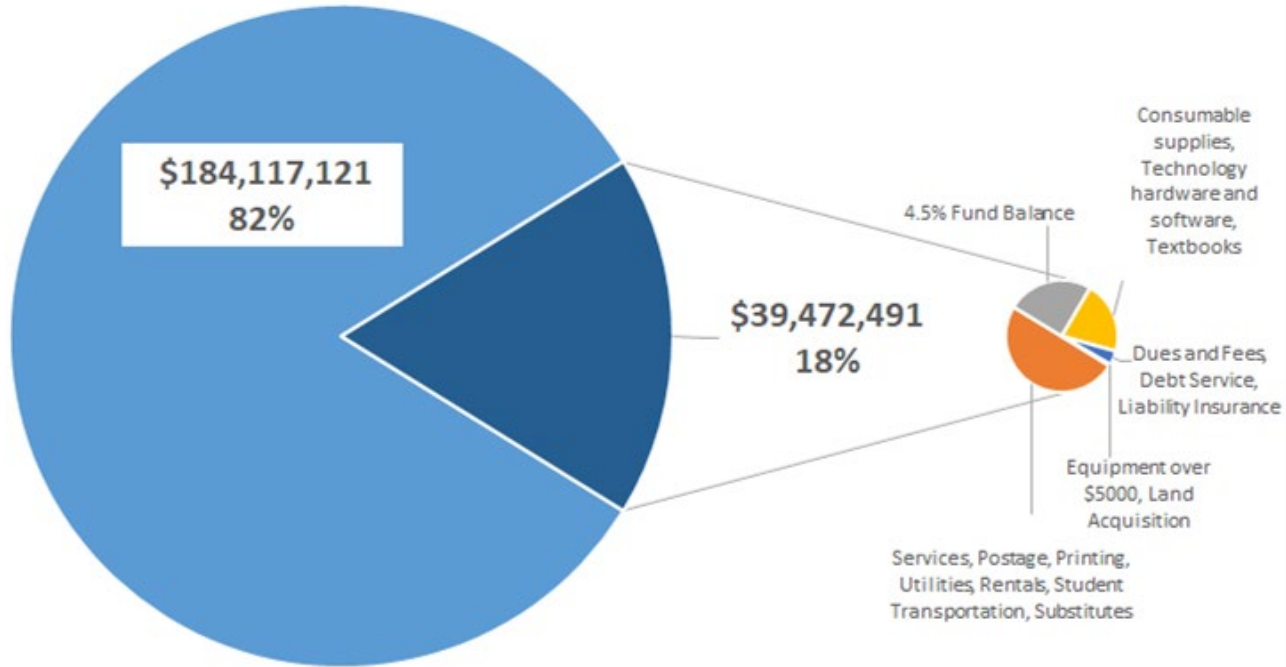
+46.4M - QEM
Add 125 teachers and 5
days of school, add
other staff and program
supports

Governor's Base K-12 Budget Proposal

- District believes Legislature will likely provide a base K-12 budget at the **Governor's proposed level of \$8.972 billion.**
- At that level, HSD would be **\$17.3 million short** of current service level (CSL) for the biennium, and would need to plan for ***\$9.6 million* in sustainable reductions in the 2019-20 school year.*** (*The amount is more than half of the anticipated shortfall to account for “roll-up” or inflationary costs from year-to-year.)
- **82% of HSD's costs are in personnel;** which means large reductions will impact staffing.



Personnel vs. Non-personnel Costs



Proposed Budget Reductions for 2019-20

- **Loss of 82 staff positions** including classroom teachers, classified staff, teachers on special assignment (TOSAs), and administrators.
 - Staffing ratio preserved at grades K-2: K = 26:1; Gr. 1-2 = 28:1
 - Staffing ratio increased at grades 3-12: 31:1
- **Reduction in work calendar** for select classified staff
- **5% reduction** in department and school **discretionary budgets**

Total savings: \$9,601,000

Revenue Proposal & PERS Cost Containment

- Currently two efforts under way in the Legislature:
 - One is to pass a **revenue package** (corporate activities tax) that would generate additional money for K-12 education in the form of a \$1 billion School Improvement Fund ([HB3427](#))
 - Other is to **contain PERS costs**
 - Efforts to lower the unfunded actuarial liability (UAL)
 - Many previous attempts overturned by State Supreme Court

Possible Election

- If the revenue package is passed by the Legislature, there is a high probability that it will be referred to voters either in November of 2019 or in a special election in January of 2020.
 - Even if voters pass the tax package, money would likely not be available to K-12 education until the 2020-21 school year
 - Money would be targeted to four areas:
 - Smaller class sizes
 - Well-rounded education (STEM/STEAM, arts, PE, etc.)
 - Student health and safety (mental health, social emotional supports)
 - More learning time (more school days and/or summer opportunities)

Next Steps

- Please contact your local elected officials to share your voice on the issue of K-12 funding.
 - A [list of elected officials](#) and their contact information and a sample [leave-behind sheet](#) are available on our website.
 - There is also an [interactive look-up tool](#) to help you identify the legislators that serve your area.
- Stay tuned to the [Budget Matters](#) webpage for more information as it becomes available.
- Contact [CFO Michelle Morrison](#) (503-844-1527) or [Chief Communications Officer Beth Graser](#) (503-844-1772) with questions