

**FORM ED-1**

**NOTICE OF BUDGET HEARING**

A public meeting of the Northwest Regional Education Service District (NWRES) will be held on June 21, 2016 at 5:30 pm at NWRES, Columbia Service Center, 800 Port Avenue, St. Helens, Oregon. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2016 as approved by the NWRES Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained at NWRES Regional Office, 5825 NE Ray Circle, Hillsboro OR between the hours of 8:00 a.m. and 4:00 p.m., or online at nwres.k12.or.us. This budget is for an annual budget period. This budget was prepared on a basis of accounting that is the same as the preceding year.

Contact: Janice Essenberg Telephone: (503)614-1253 Email: jessenberg@nwres.k12.or.us

<b>FINANCIAL SUMMARY - RESOURCES</b>			
<b>TOTAL OF ALL FUNDS</b>	Actual Amount Last Year 2014-2015	Adopted Budget This Year 2015-2016	Approved Budget Next Year 2016-2017
Beginning Fund Balance	\$21,699,907	\$21,253,191	\$19,562,758
Current Year Property Taxes, other than Local Option Taxes	9,698,461	9,648,000	10,324,000
Current Year Local Option Property Taxes	0	0	0
Other Revenue from Local Sources	13,747,750	10,946,619	28,482,333
Revenue from Intermediate Sources	0	0	0
Revenue from State Sources	46,314,694	47,562,915	51,752,515
Revenue from Federal Sources	6,486,190	5,930,878	6,069,378
Interfund Transfers	41,540,069	35,516,521	39,630,615
All Other Budget Resources	0	0	0
<b>Total Resources</b>	<b>\$139,487,071</b>	<b>\$130,858,124</b>	<b>\$155,821,599</b>

<b>FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION</b>			
Salaries	\$25,198,958	\$26,211,949	\$28,426,754
Other Associated Payroll Costs	14,293,923	14,994,256	15,352,868
Purchased Services	7,389,522	8,166,235	27,968,328
Supplies & Materials	3,621,161	3,993,997	4,829,271
Capital Outlay	328,493	445,144	645,803
Other Objects (except debt service & interfund transfers)	23,064,989	37,870,022	35,312,960
Debt Service*	658,940	660,000	655,000
Interfund Transfers*	41,540,069	35,516,521	39,630,615
Operating Contingency	0	500,000	500,000
Unappropriated Ending Fund Balance & Reserves	0	2,500,000	2,500,000
<b>Total Requirements</b>	<b>\$116,096,055</b>	<b>\$130,858,124</b>	<b>\$155,821,599</b>

<b>FINANCIAL SUMMARY - REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY FUNCTION</b>			
1000 Instruction	\$30,745,138	\$30,838,091	\$44,990,075
FTE	306.737	301.74	323.4426
2000 Support Services	22,849,973	24,072,118	34,706,065
FTE	141.425	146.645	153.8874
3000 Enterprise & Community Service	206,395	234,854	293,393
FTE	1	2.75	2.75
4000 Facility Acquisition & Construction	0	515,000	510,000
FTE	0	0	0
5000 Other Uses	20,095,540	36,021,540	32,036,451
5100 Debt Service*	658,940	660,000	655,000
5200 Interfund Transfers*	41,540,069	35,516,521	39,630,615
6000 Contingency	0	500,000	500,000
7000 Unappropriated Ending Fund Balance	0	2,500,000	2,500,000
<b>Total Requirements</b>	<b>\$116,096,055</b>	<b>\$130,858,124</b>	<b>\$155,821,599</b>
<b>Total FTE</b>	<b>449.162</b>	<b>451.135</b>	<b>480.08</b>

\* not included in total 5000 Other Uses. To be appropriated separately from other 5000 expenditures.

**STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING \*\***

The General Fund budget was developed using resolution plan guidelines and priorities to allocate the available funds. Proposed revenues and other financing sources of \$50,111,878 for 2016-17 represent an increase of about \$1.4 million in funding, primarily due to an increase in the level of funding allocated by the Oregon Legislature to Oregon's State School Fund, and an increase in local property tax revenues. An estimated 84% of revenue is attributable to the State School Fund formula. Proposed General Fund expenditures totaling \$50,111,878 for 2016-17 represent an increase of \$1.4 million over the prior year's budget. The increase in Supporting Services is primarily due to increased staffing levels and increased equity professional development. The \$1.1 million increase in transfers represents an increase in service credits which support our component districts.

For fiscal year 2016-17, the proposed budget for the Special Revenue Fund of the Northwest Regional ESD is \$57,788,774. About 38% of the revenue to support this fund is generated with state contracts and grants through ODE. The \$14.6 million increase in Local Revenue and \$12.4 million decrease in Transfers In is primarily due to a change in accounting for districts' expenditures of ESD allocations. District allocations are transferred from the General Fund to each district's individual Agency fund. Districts then pay for ESD services accounted for in the Special Revenue Funds.

In the Enterprise Fund, revenues are expected to increase by \$272 thousand as districts outside the region continue to request services from the Agency. This increase is reflected in the expenditure budgets for Supporting Services.

In the Agency Fund, the \$17.2 million increase in Transfers In represents ESD allocations for the two largest component districts. Their entire allocation will be transferred to their individual agency accounts from the General Fund, giving each district the option of buying ESD services or receiving a cash distribution.

<b>PROPERTY TAX LEVIES</b>			
	Rate or Amount Imposed	Rate or Amount Imposed	
Permanent Rate Levy (Rate Limit \$0.1538 per \$1,000)	0.1538	0.1538	0.1538
Local Option Levy			
Levy For General Obligation Bonds			

<b>STATEMENT OF INDEBTEDNESS</b>		
<b>LONG TERM DEBT</b>	Estimated Debt Outstanding on July 1	Estimated Debt Authorized, But Not Incurred on July 1
General Obligation Bonds		
Other Bonds		
Other Borrowings	\$4,440,000	
<b>Total</b>	<b>\$4,440,000</b>	