

# **DRAFT Portland Public Schools District # 1J**

## **2022-23 Hearing Minutes**

Tuesday, June 14, 2022  
4:30 pm  
501 North Dixon Street  
Portland, Oregon

**Note: These are draft minutes. Updated and finalized minutes will be posted as soon as they are available. Please contact TSCC staff with any questions.**

Present:

**TSCC:**

Chair Harmony Quiroz, Commissioner Margo Norton, Commissioner Mark Wubbold, Commissioner Matt Donahue, Executive Director Allegra Willhite, and Budget Analyst Tunie Betschart

**Absent:** Commissioner James Ofsink

**Portland Public Schools:**

PPS Staff: Superintendent Guadalupe Guerrero, Chief Financial Officer Nolberto Delgadillo, Chief of Research, Assessment and Accountability Renard Adams, Deputy Superintendent Cheryl Proctor, Chief Operations Officer Dan Jung, Executive Assistant to the Board Kara Bradshaw, Chief of Staff Jonathan Garcia, and Chief of Student Support Services Brenda Martinek

Chair Harmony Quiroz opened the public hearing by welcoming everyone to the hearing and briefly introducing the duties and responsibilities of the TSCC. She asked the Commissioners and staff to introduce themselves and state if they have business relationships with the district that could be perceived as a conflict of interest. Each commissioner and staff member introduced themselves and stated they had no conflict of interest with the district. She asked the district to introduce the staff present. Following introductions, Chair Quiroz congratulated the district on receiving the Meritorious Budget Award from the Association of School Business Officials for the 2021-22 budget.

Then she asked if Superintendent Guadalupe Guerrero would like to make brief introductory remarks about the budget. She stated that following Superintendent Guerrero's introductory remarks, testimony from the public would be taken.

Superintendent Guerrero explained some challenges the staff and board experienced during this year's budget process. But the board moved forward last month, serving as the official Budget Committee voting to approve the 2022-23 budget. He said the budget's focus was maintaining core operations and being fiscally responsible for leveraging targeted dollars to extend learning opportunities, including a robust summer program. He said they plan to present a plan to the board that addresses the fundamental question of sustainability and maintain the district's plan around student learning and raising achievement. The challenge is always balancing activities and learning with the available resources. The educators and leaders at PPS are optimistic.

Following these introductory remarks, Chair Quiroz asked if anyone had signed in to give testimony, explaining each speaker would be limited to three minutes.

Executive Director Allegra Willhite said Isabel Johnson signed up to speak. She also received written testimony from Mr. Eric Fruits focused on bond spending and the Center for Black Students Excellence.

She stated that TSCC would ensure the district receives a copy, which will also be maintained as an attachment to TSCC's minutes of this hearing.

Ms. Isabel Johnson spoke about the \$900 million corporate kicker, the Portland Public School District's share of that, and the class sizes at Portland Public Schools. (Her testimony in its entirety is attached) Chair Quiroz thanked Ms. Johnson for her comments and explained that TSCC would include her testimony with the minutes of this hearing as a permanent record. They will influence the comments, follow-up questions, and TSCC's engagement with the district moving forward.

### **TSCC Questions:**

#### **Commissioner Donahue asked the following question:**

Like many schools in Oregon, PPS has experienced a drop in enrollment. What is causing this drop? And what are you forecasting in terms of future enrollment?

Mr. Renard Adams said that the entire state of Oregon had lost approximately 30,000 publicly enrolled students. He explained that they work with the Portland State University Population Resource Center to help with the enrollment projections. Since the pandemic onset, the district has seen an 8% drop in enrollment. By working with the demographers, the staff at the PPS understands three factors that are influential in the enrollment decline:

- Parents' choices about what they want for their children, meaning homeschooling or private school
- Housing costs as families are being priced out of the Portland metro area
- The low birth rate in the Portland metro area

Mr. Adams stated that they update the enrollment forecast every year. The pandemic enrollment drop created some instability in the model. Currently, the district is projecting a steady but slow enrollment decline for the foreseeable future. However, the long-term forecast might change once the district has the October enrollment counts and January projections.

What is the district doing to encourage students back into the system?

Mr. Adams said the most critical strategy is strong schools. The more PPS can strengthen the schools, improve student outcomes, and provide support and necessary resources for teachers, the more appealing public school becomes.

In addition, the district emphasizes building capacity and putting high-quality curriculum materials in the hands of teachers with ongoing professional development and support. The Office of Early Learning is conducting outreach for kindergarten and primary grades to seek enrollment across elementary schools. That's where the district has seen the most significant decline in enrollment.

#### **Chair Quiroz asked this follow-up question:**

When TSCC met with Multnomah County, we discussed the Preschool for All program. I'm curious how many preschool sites are housed within PPS buildings and are in partnership with PPS on the Preschool for All?

Mr. Adams said PPS has 49 pre-kindergarten classes across 14 schools.

Superintendent Guerrero said PPS had seats available the entire school year. They are thankful for Preschool for All because the district will add additional classrooms. They have some vacant seats, so they welcome any four-year-old children.

**Commissioner Wubbold asked the following questions:**

As we just discussed, enrollment is going down, but from the budget document, it looks like and are projected to stay flat or continue to drop, staffing has gone up in recent years – can you tell us more about why?

Mr. Nolberto Delgadillo said staffing levels increased over the last few years due to additional state funding through the Student Success Act. The district has added targeted positions such as social workers, counselors, instructional specialists, and teachers. With the Elementary and Secondary School Emergency Relief Fund (ESSER) grant resources, the district plans to hire additional staff, helping to avoid laying off staff. Because these are one-time dollars, the district must assess which of those investments stop and which continue.

PPS has increased FTE with additional resources, but some of those resources are one-time. The district is looking at the overall investment of leveraging \$49 million in reserves with \$65 million in one-time federal dollars, a total of \$114 million less in the fiscal year 2024. It would be unrealistic to consider maintaining the same level of service with \$114 million fewer dollars and not have significant shifts or changes. To help put this in perspective, the local option levy is about \$109 million. That provides resources for close to 900 teaching positions. With \$114 million less for the fiscal year, 2024 will require careful analysis and tough decisions.

The district has maintained class sizes artificially small during the past two years. When one-time dollars support smaller class sizes go away, class sizes will adjust based on actual enrollment and the subsequent school staffing plan.

Mr. Delgadillo said the district would need to consider a mix of layoffs, consolidation of programs, consolidation of schools, or potential elimination of services. Being aware of the intricate nature of ongoing funding versus one-time funding, PPS must consider these things.

We've had a little preview today from Ms. Johnson about this commercial kicker, which I did not realize this money went back to the schools. Is that something that you'll be considering in your calculations later tonight?

Mr. Delgadillo said this funding would reduce the \$114 million gap to possibly \$30 million, which is a better situation. The district will create a plan that accounts for some of this variability.

**Chair Quiroz asked the following questions:**

To continue on the topic of enrollment: there has been a significant change in SE Portland with the shift from K-8s to K-5s and middle schools. This has been a further enrollment disruption. What costs are associated with this? How is the district stabilizing these schools during the transitions?

Mr. Adams said PPS has set aside \$1.2 million and 10 FTE to support stabilization efforts in the southeast schools impacted by the Southeast Guiding Coalition and that boundary, redistricting, and program movement. The district will discuss with principals how to allocate these teachers to serve them more successfully.

How are you planning to address the extremes in school staffing, that is, under-enrolled vs. overcrowded schools? And what's the long-term plan for addressing very small schools?

Superintendent Guerrero said the district would need to have a plan A, B, and C, work with the board to set some parameters and decide what approach to take. PPS made a conscious decision to leave the counselors, social workers, and wraparound supports in the school communities to serve the students. Trade-offs will be a part of the conversations when making decisions and developing a Plan B.

The district has to wait to get clarity from the State of Oregon until the spring, so this is why it is necessary to have a tiered approach to the decision-making.

**Commissioner Norton asked the following questions:**

We see in the budget message this will be the largest academic enrichment summer program in the history of PPS, you have goals about maintaining smaller classroom sizes that you're able to do with this one-time money. How will you manage the expectations of your parent, student, and community constituents?

Superintendent Guerrero said they have pointed out the risk to the board. They hope to get conversations started early and involve the community and all the district's stakeholders in these conversations. They hope to bring them to an understanding of the necessary changes without losing any progress they have made over the last few years. The board is well aware that dipping into the fund balance is unsustainable. Unless there is another source for funding, next year, the summer program will look different than it does this year.

Mr. Delgadillo said the district needs to be clear about the resources and requirements. They need to put together the best options so the board can take action to create a sustainable place.

Do you know when you will have the array of possibilities finalized?

Mr. Delgadillo said that following this hearing at the board meeting, they would have a high-level overview of the milestones they need to achieve. There will be some tough decisions, but they will put together a menu of options by fall for the fiscal year 2024. By January or February, the district needs to have the plan for the following year so families can plan accordingly, and the formal budget cycle begins in March. The district and board will work towards having as much information as possible for the community as early as possible.

**Commissioner Donahue asked the following questions:**

There are reports across the county of increased behavioral challenges as students cope with the pandemic and other stressors. What's working well? What needs to change? What role does PPS play in supporting impacted students and addressing these increased challenges?

Ms. Brenda Martinek said the district had invested in additional counselors, social workers, and qualified mental health professionals. They have contracted with culturally specific mental health partners to ensure they are providing equal access to services for all students.

**Chair Quiroz asked this follow-up question:**

Can you talk a little bit about the support teacher and staff are getting to manage these challenges?

Ms. Martinek said they provide an Employee Assistance Program, affinity groups, and spaces for staff to ensure they can connect with others in a safe place.

**Commissioner Norton asked this follow-up question:**

These issues are not new with the onset of the pandemic. They most likely will continue well beyond the pandemic. The increased resources for the services just discussed are provided with one-time revenue. What is the district's plan for maintaining behavioral health services for students?

Ms. Martinek explained that the district had used Student Success Act dollars from the ongoing ESSER funding. The district added 60 staff: counselors, qualified mental health professionals, therapeutic intervention specialists, and social workers who will continue on long-term to help special needs students. The district has mental health professionals or social workers in the middle and elementary schools and provides support in alternative programs to give higher-risk category students additional support. These are supported by ongoing revenue. These are not short-term fixes.

Mr. Garcia added the district is in close partnership with the University of Oregon to provide professional development support that staff and educators need and to build out the pipeline of mental health professionals. The question becomes financial sustainability. The federal delegation needs to support mental health, so the district is engaging those conversations with Multnomah County about providing mental health support to the community. The district will continue addressing this through systemic partnerships like the University of Oregon.

**Chair Quiroz asked the following questions:**

District goals are tied to specific student achievement, for example, third-grade reading and fifth-grade math. How are you measuring progress, and how is that being communicated to the community?

Mr. Adams said they have been using the Measures of Academic Progress System (MAPS) for assessing the reading, arts, and mathematics to understand the new baseline of student achievement after interrupted learning. PPS re-tested in the winter, and now they have two data points on most students. They looked at how much they had grown from the fall to the winter. They share this information at board meetings. They have also looked at the graduation rate and the readiness to graduate. The district is also doing instructional rounds, walking into schools, seeing what's happening in the classrooms, and looking at teachers' practices and organizational structures. They are sharing feedback about best practices.

**Commissioner Norton asked the following question:**

We would like to ask about new capital projects and capital maintenance. PPS has a number of bond projects in the works. How are you doing on the Lincoln project? Did this project come in on budget?

Mr. Daniel Jung said the Lincoln modernization project is currently under budget, approaching completion of phase one. Phase two includes abatement and demolition of the existing building, construction of the new track and field and grandstands, and various off-site and on-site

improvements. These improvements will continue over the next year. The project team is currently forecasting being under budget at completion in 2023. The two schools that opened last year, Kellogg Middle School and McDaniel High School, were completed on time and under budget.

Other projects are still in progress - can you tell us more about the Center for Black Student Excellence? How has this project evolved from the original concept presented in the bond description materials? What is the timeline for this project?

Mr. Garcia said that the Center for Black Student Excellence collaborates with the community to define what success looks like for black children in Portland, particularly in the Albina community and in the Albina schools. The district has conducted several public meetings over the last several months. Governance has been a big question, as well as how the community and the district will move forward. PPS staff have been meeting with community partner leaders in the Albina neighborhood, ensuring the work goes off without a hitch. The district expects a complete master plan by late winter or early spring. It will focus on:

- Creating an action plan so students can succeed
- Delivering mental health support as needed
- Facilitate family involvement
- Providing professional learning for teachers
- Becoming advocates at the state and local level

When TSCC held the public hearing on the bond measure, we learned that the Center might not be a specifically defined building, and we came to accept that. We also understand that the curriculum and technology are part of an acceptable capital bond expenditure. What you just described sounds very programmatic and very engagement oriented. I'm having trouble figuring out what the end asset will be for this project. Could you help with this?

Mr. Jung said community engagement would inform how they will build the brick-and-mortar building to reflect the changes in the structure. It could be a stand-alone building, or it could be a shift in the libraries to create a different type of library to support reading goals. The answer will come from the community, leaders, and education experts. You may see improvements to the buildings. These decisions will be shaped by the visions of the community.

#### **Commissioner Donahue asked these questions:**

Continuing on capital projects, other facility needs have been identified. We're curious about potential air quality improvement projects – what are your plans for improving air quality in buildings, and how will these projects be funded? Do you have an anticipated timeline?

Mr. Jung said the past two years, PPS has used a mix of funds, including the federal Covid relief funds, to improve indoor air quality. Some of the investments include changing over 3,000 filters and modifying the HVAC control systems to maximize the amount of pressure that comes into a system. One capital expenditure that improves indoor air quality is upgrading outdated mechanical systems. The November 2020 bond includes \$75 million to improve mechanical systems throughout the district. This work covers a range of improvements, including complete system or placements down to targeted controls, site-specific, and other smaller improvements. Mechanical system improvements are invasive to the occupants, so the district must plan these carefully. The construction will take place during off-hours. PPS anticipates the work will be completed over the next four or five years.

**Commissioner Wubbold asked the following questions:**

PPS is mounting a large summer program to keep kids on track. How many students will this serve, and who is eligible to participate?

Dr. Sheryl Proctor said PPS offers various programs to students in grades 1 through 8. These programs are designed as a summer acceleration academy. PPS aims to serve upwards of 4,000 students. The Summer Scholars Credit Completion program is slated to serve nearly 2,000 students. The smaller programs, including early kindergarten transition, migrant education, Indian education, summer arts academy, the math trajectory program, and the Leap into 9th Grade program, intend to serve another 82 to upwards of 300 students. The district is working with HR to hire staff for these programs and continues to recruit educators.

Do you anticipate any challenges with staffing for these programs, and if so, how are you addressing the challenge?

Dr. Proctor said they had hired some staff already, and the programs that still need staff are working very closely with HR. The district is building incentives and reaching out directly to constituents to join the programs.

Chair Quiroz thanked the district board members and staff for joining the discussion and contributing during the hearing. Then she closed the hearing and opened a regular meeting of the Tax Supervising and Conservation Commission to certify Portland Public School District's 2022-23 Approved budget. She asked if the commissioners had any questions or comments to make concerning the budget. There were none.

She asked that Executive Director Allegra Willhite give staff recommendations for the certification letter.

Ms. Willhite said she would like to commend the PPS staff. It has been a busy and challenging year. The budget document provides extensive strategic goals and statistical information, which is valuable for the community. PPS staff has also been optimistic and cheerful even when things are challenging.

Addressing the certification letter, Ms. Willhite said that for the fiscal year 2023 approved budget certification letter, TSCC has one recommendation related to the budgeted property tax receipts and the GO Bond Debt Service fund. TSCC staff recommend that the budget amount be adjusted to align with the approved tax levy and to include estimated discounts and delinquencies. TSCC staff has been discussing this issue with PPS staff, who is developing a technical amendment that could be introduced later tonight. Besides this recommendation, staff believe budget estimates are reasonable for the purposes stated. Staff have no further recommendations, nor any objections for the certification letter.

Chair Quiroz called for a motion.

Commissioner Wubbold moved to certify the Portland Public School District's Approved Budget with one recommendation, as staff suggested. Commissioner Norton seconded the motion, which passed with a unanimous vote of the commissioners.

There being no other business, Chair Quiroz closed the meeting.

**Attachments**

Eric Fruits' written testimony

Ms. Isabel Johnson's Testimony



Written Testimony

From Eric Fruits

Tax Supervising and Conservation Commissioners:

Today, you are reviewing and certifying any objections or recommendations relating to the Portland Public Schools budget.

I urge you to reject the proposed budget until several deficiencies are resolved.

In particular, it appears that much of the crucial information provided in previous budgets is missing from the proposed budget under consideration.

For example, last year's budget provides an entire section ("Bond Program Summary") with tables labeled, "Combined Project Cost Summary Report for Capital Improvement Bond Program." No such tables are provided in the proposed budget under consideration tonight. Instead, the proposed budget simply provides 1.5 pages of narrative and 3.5 pages of photos. You know something's fishy when a budget replaces data with photos.

Last year's adopted budget (p. 256) provided project-by-project tables itemizing the original budget, the current budget, and the amount budgeted for the upcoming year. For example, last year's budget identifies \$6.35 million to be spent on the Center for Black Student Excellence. In June 2021, Dani Ledezma, senior advisor on racial equity and social justice at PPS, told the Tax Supervising and Conservation Commission that—by the end of the year—PPS will have produced a master plan for the Center with "programmatic elements" and a "responsive physical space."

Nearly a year later, PPS appears to be no closer to producing a master plan than it was when it presented its budget to TSCC.

The proposed budget for 2022-23 provides no useful information regarding how much PPS plans to spend on the Center for Black Student Excellence. This is a glaring omission of key information. The proposed budget must be rejected until this information is made publicly available and subjected to public comment.

State law requires that all proceeds from capital improvement bonds be used strictly for the acquisition, construction, and repairs of school buildings and the purchase of assets. Other broader intangible uses—such as initial planning and community engagement—are not specifically allowed.

At this point, it appears that much of the spending to date on the Center is at odds with state law. That is why it is so crucial that the public has an understanding of how PPS plans to spend this bond money over the next fiscal year. The current budget proposal provides zero useful information regarding budgeted spending on the Center over the next year.

I urge you to reject the district's proposed budget until the district provides sufficient information to the public to review and comment on.

Respefully submitted by Eric Fruits, Ph.D.

Vice President of Research

Cascade Policy Institute

Ms. Isabel Johnson's Testimony given at the June 14, 2022 TSCC Hearing on the Portland Public School Districts 2022-23 Budget

My name is Isabel Johnson. I did not anticipate speaking at this meeting, but when I walked in there was a sign up for public comment, nobody signed up, so I thought let's take advantage of that.

I'm actually signed up to speak for the six o'clock meeting but I'm going to try and speak now. I am the parent of a third, now fourth grader at Glencoe elementary and I have been attending the board meetings on and off since February, particularly over the last few months.

I did read the, some of the some of the TSCC questions, which I just suddenly couldn't find, but I think one of the last questions was what are we doing to support the teachers. I am just going to continue to advocate that one of the main things we can do for teachers is to have smaller class sizes. I know that this comes up. I know that there are the constraints of the budget. I have looked a little. My understanding is that we are looking at a \$900 million potentially corporate kicker, which, unlike the personal kicker will come back to the schools. If it is \$900 million, I guess it's not in the bag, but I think tentatively PPS would be get 8% of that which is \$72 million. I do feel that next year that could go away at sort of plugging the holes that we are going to lose when we lose the ESSER funds that obviously won't repeat next year. So, I am just hoping that this year, more than any year, teachers and students need help, and I think we can all acknowledge that.

Again, when I have looked through the staffing memos, I do think that there are still classes that are very high, and I do think that the idea would be to have smaller class sizes. I understand the budget constraints. I feel I am not as bearish on the budget as I hear the district. Just from talking to teachers, there is this sense that there is a real disconnect between what their work is and the district, and they really are the district's, I think, arguably greatest resource serving our students, thank you very much.