

Portland Public Schools District # 1J

2023-24 Hearing Minutes

Tuesday, June 13, 2023

4:00 pm

Blanchard Building
501 North Dixon Street
Portland, Oregon

Present:

TSCC:

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

Absent: Commissioner Matt Donahue

Portland Public Schools: Board Members:

Board Chair Andrew Scott, Amy Kohnstamm, and Herman Green

PPS Staff: Superintendent Guadalupe Guerrero, Chief of Staff Jonathan Garcia, Deputy Superintendent Cheryl Proctor, Chief Financial Officer Nolberto Delgadillo, Chief of Research, Assessment and Accountability Renard Adams, Chief Operations Officer Dan Jung, Senior Director Communications Freddie Mack, Chief Academic Officer Dr. Kimberly Armstong, Chief Technology Officer Don Wolff, and Chief of Human Resources Sharon Reese

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 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 thanked TSCC members for their service to the district and the community. He said most of the leadership team was present and ready to answer questions, so he suggested moving to the questions to allow time for the answers.

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 no one had signed up to speak, and with that, Chair Quiroz asked Commissioner Ofsink to ask the first question.

TSCC Questions:

Commissioner Ofsink asked the following question:

This question is for the board members present: Similar to last year, changes in enrollment, coupled with rising expenses and increased student need, make meeting costs challenging. We understand that PPS is proposing to cover financial gaps with one-time dollars and reserves again this fiscal year. Have you identified any new strategies PPS will use to maintain a sustainable financial future?

Mr. Andrew Scott said one of the more challenging things for him, having served the board here and having previously served on OGFOA's budget committee and being on the OGFOA executive board, and being familiar with reserve policies and their need, is that PPS runs very thin overall reserves. He would love to see them in the 15 to 20 percent range. The district is within the board policy of maintaining five to 10 percent of expenditures. They have created some savings, resulting in a higher-than-expected beginning fund balance. More state funding is needed. Earlier this year, he and others have testified about the need for more state funding. The district is discussing asking the state to lift the caps and the voters to renew and possibly increase the local option levy for operations in the future.

Ms. Amy Kohnstamm said another conversation the board is having is consolidating small or elementary schools and recognizing it as inevitable. There is money set aside in this budget to begin analyzing this. More state funding is needed to maintain the current spending levels. PPS has had a loud voice in Salem this year, which needs to continue.

Additional state funding would be on a path of sustainable funding for the district, but it also could take some time. How many years of deficit spending can the district endure?

Mr. Scott said the district has reduced spending and reduced staffing. The board needs to do a realistic three to five-year look at the spending, continue to budget conservatively, and pursue all options for increasing revenue.

Chair Quiroz asked the following questions:

You've been able to maintain stability in staffing and class sizes through a combination of federal funds and deficit spending, even in the face of declining enrollment. Enrollment trends have not yet reversed. What impacts are the public seeing related to the decreasing enrollment and funding challenges? How many schools will lose staffing, and how many schools will see increased class sizes in the upcoming fiscal year?

Mr. Renard Adams said the district has been staffing above enrollment levels. In the coming budget, staffing will be adjusted to the actual enrollment. This will result in a reduction in staffing. Some small classes will be consolidated with others, so smaller classrooms will become 20 students. The district has 81 schools. In the upcoming fiscal year, 40 schools will lose FTE, and 41 will not.

Are there any demographic trends that you are seeing in the schools that have lost enrollment?

Mr. Adams said they are losing students at the kindergarten level. Families are not moving into the area at high rates. The population research shows this likely will not improve. The loss of enrollment

has little to do with demographics and more with the cost of housing. The largest enrollment declines occur where housing costs have increased the most.

It seems that declining enrollment primarily hits elementary schools - is that accurate? At what point does PPS forecast that schools may need to be consolidated?

Superintendent Guadalupe Guerrero said the goal in the coming school year is to identify what is needed in technical assistance to consider the needs of the students, which schools should be considered for other possibilities or use, community engagement, and how to move forward with the planning process for consolidating schools.

What about preschool for all – would that be in PPS buildings?

PPS will continue to partner with Multnomah County and leverage state funding to ensure early learners have many options. PPS has been very strategic about the placement of those classrooms.

Commissioner Norton asked the following questions:

We have another question for the board: FY 2023-24 is the final year of federal funding through ESSER. What approach did the district use to choose which ESSER-funded programs would continue or be eliminated; specifically, what was your approach for listening to feedback and getting innovative solutions? What will phasing out these programs look like? How did you decide what to keep going with the federal dollars and what that means for next year?

Superintendent Guerrero said the interest has been in maximizing the ways to meet the needs of the students. These investments were made in academic and non-academic support specialists, extended learning opportunities, and high-dosage tutoring.

Dr. Kimberly Armstong collected data to measure the effectiveness of the tutoring. Next year, they will see which programs moved the needle. PPS has learning acceleration specialists in some schools to help close reading, writing, and math gaps.

Mr. Jonathan Garcia added that PPS has invested about a third of the \$36 million from the federal dollars on summer programming again next year. Also, reducing emissions is a priority for the district's response to the climate crisis. To respond to this, the district needs to make plans today that will impact this goal ten years from now. Some ESSER dollars ensure the district prepares for these long-term goals. PPS provides professional development to educators.

Mr. Nolberto Delgadillo said from a practical budgeting perspective, the district can do anything, but it can not do everything. They are having thoughtful conversations about where PPS needs to stop doing things or identifying reductions, not for the sake of cutting but for reassessing and purposing, because some funds are sunseting, and some initiatives need to continue. PPS is going through the cost containment process to identify inefficiencies and reductions and identify those programs that need to continue. The staff has gone through a cost containment process and is looking to see where they want to land when they descend that ESSER cliff.

How will the district address the pressure to continue the special services that will now compete with everything else PPS will be looking to manage?

Ms. Kohnstamm said PPS would need to look at doing some shifts to keep going with the education practices that the data shows are working, like summer programming. The district has never had the data to back up what they feel works and what doesn't. Now that they are collecting data, they need to use this in the decision-making process.

Chair Quiroz asked this follow-up question:

There are lots of changes coming. What is the district doing to communicate these hard choices to the community?

Mr. Garcia said the district needs to ensure they are providing openness and giving the community clear, understandable, timely information about the district's operations. This is how to build trust.

Cheryl Proctors said they engage stakeholders in small groups to determine where decisions may have an impact. Staff communicates internally, engaging stakeholders in small groups with teachers and labor partners to formulate language for common understanding.

Mr. Freddie Mack said the district sent an infographic explaining budget decisions last year. They also held a press conference to explain the decision they had made. This year, the student representatives will explain items in the budget and other decisions in a weekly blog.

Commissioner Wubbold asked the following questions:

Funding for the Online Learning Academy was provided through ESSER funding during the pandemic. This budget does not include funding for the online program, and it will be closed at the end of the 22-23 school year. How many students will be affected by the closure? Does the district provide alternate options for virtual learning for those students who benefit from it?

Mr. Adams said that as of this spring, they had 246 students that will be affected. They are working with families to find alternatives, whether brick-and-mortar buildings, online learning, charter schools, or out-of-district.

Is this an access or equity issue?

Ms. Proctor said initially, when the Online Learning Academy (OLA) was established, it was a program to provide an option for those not comfortable returning to in-person learning. It was designed for 500 students, but enrollment declined when in-person kept ramping up.

Ms. Margaret Calvert said they had several opportunities to interact with families engaged in the online learning academy. Staff worked with families to assess their needs. Some were key decision points that surfaced from these conversations. One was their interest in continuing online learning. Staff worked with some of the online learning Charter Schools and neighboring districts to look at options for those students interested in continuing online education. Staff found that 73 students have returned to Portland Public Schools, and others plan to return to a school in the fall. Twenty-five graduated, so that's almost 100 students of the 247. Staff have helped 33 connect to online options in neighboring districts, and 20 are connected to an online Charter. So, roughly 53 students have chosen to remain in online learning. The district is still working to communicate with about 25 students.

Mr. Scott said the Online Learning Academy was not funded before the pandemic. It was the right thing to do during that time. Looking at it now, it costs over \$20 thousand per student, and these families will not be better off because of getting rid of OLA. But the district as a whole, from his perspective, speaking only as one board member, will be better off by taking those resources and putting them into other student classroom teacher supports that will benefit more students.

Chair Quiroz asked the following questions:

Multiple incidents in the last year have impacted student safety. School Resource Officers were removed in 2020. This budget includes additional Campus Safety Associates. How are these positions different from School Resource Officers? What is the overall plan for student safety?

Superintendent Guerrero said campus safety associates are not sworn officers. They are certified safety professionals. They are not armed. They focus on de-escalation. PPS is working to convene city and county officials to discuss what they can do together.

Mr. Garcia said several things make up campus safety and security.

Some of these elements are:

1. People providing safety and security (CCSs, law enforcement, mental health professionals, counselors)
2. Equipment and technology
3. Procedures and policies (the policies the board has put in place to ensure student and staff safety; the day-to-day policies that keep students safe)
4. Training (drills and exercises to ensure staff and students know what to do during an incident)
5. Buildings and design (Perimeter, keeping doors locked)

PPS has 59 people on its Safety and Security team and is adding 17 with this upcoming budget. That will ensure high schools will have coverage until eight o'clock each evening. The district has two folks dedicated to working with those families and students impacted by gun violence in our community.

The district will initiate a pilot program in the upcoming school year. It is a walking Community Patrol. They will identify five schools and provide some community members to patrol the area as students go to and from school.

Commissioner Ofsink asked the following questions:

This budget includes funding for the Harriet Tubman Middle School move. Can you provide us an update on potential relocation sites? If one of the sites is on the Jefferson High School campus, how will this impact the current high school project?

Dan Jung said there's no specific site selected. The district discusses those site options with the community; several are still in play. The Jefferson site being considered is just south of Jefferson's property, so it's across the street. If the Jefferson design were used to support the middle school, then the Jefferson athletics would have to be reconsidered and redesigned.

Mr. Garcia added that the district is considering other options, such as possible sites in and around the Albina Neighborhood.

Until HTMS can be relocated, what mitigation is the district implementing to protect these students? What is the target date for a new, safe location?

Mr. Jung said the biggest impact is going to be during construction in what's called the Eliot Viaduct. That's the piece that's immediately adjacent to the school. ODOT plans on beginning construction

on the viaduct in the fall of 2027. The district will move students and staff out of the existing building before the fall of 2026. They will go to a temporary school until their permanent school is completed. PPS anticipates at least one year for this relocation.

Commissioner Wubbold asked this follow-up question:

Will the students be split up, or all be moved together?

Mr. Jung said the temporary location is moving as a whole.

Chair Quiroz asked this follow-up question:

What's the timeline for site selection?

Mr. Jung said there is no specific timeline. The district wants to get it right.

Commissioner Norton asked the following question:

What adjustments has the district needed to make to the 2020 bond projects in the face of declining enrollment, emerging needs, and cost escalation?

Mr. Jung said this will be a big year for the 2020 Bond. The district will finish the final phase of Lincoln High School. They are in the second phase, the site improvements for Benson projects. Construction planning is going to begin for Ivy Wells and Cleveland. There are several other projects underway.

PPS has undoubtedly seen changes due to unforeseen conditions as they move forward with these projects. Construction cost escalation has continued to be high. The district has risk management strategies, including allocating resources to a program contingency. So, for some of the projects that have increased in cost, the district has managed those increases. Some of those high-risk components are behind us, but there are still some in the future. The district is forecasting they will complete the scope of work within the budget estimate.

There's also a very substantial curriculum technology investment in the 2020 bond. Are some of those behind schedule?

Ms. Proctor said that regarding curriculum adoption, PPS has fully adopted K-12 English Language Arts (ELA) and K-12 math since the 2020 bond. This year was the first year of implementation for the 6-12 math, and for the K-12 ELA last year, the district started implementation with the K-5 math and the foundational skills, which was K-2. Portland Public Schools has made progress in all of the adoption series. There has been a delay. The district consciously decided to pause the social studies adoption because the state will change the social study standards.

Dr. Armstrong added that PPS had a committee go through a process of looking at the curriculum and making recommendations. One of the recommendations coming out of the middle level is with a publisher that PPS already uses. The district provided an updated curriculum for the next two years for middle grades. PPS will have updated materials in all of the classrooms. They won't have the six-year adoption timeline.

The last factor was the enrollment consolidation of schools, which came up earlier. Will this have any impact on Bond planning?

Mr. Jung said in the budget for next year, there are no immediate changes that PPS is anticipating. Depending on what happens, as the district engages in those conversations with the community, some corrections may be needed.

Ms. Kohnstamm said that the point has already been raised, the fact that the district should reconsider some of the criteria in educational specifications that describe the optimal number of students for a comprehensive high school or the optimal number of students for a middle school because they're based on enrollment projections that are no longer accurate. This could come into play very soon. Maybe the district will build a slightly smaller school, potentially even Jefferson, even though they're in the design phase, definitely for consideration for Ivy Wells and Cleveland. The question has been raised, and it would not be prudent not to consider this.

Superintendent Guerrero added that if PPS opens these modern, inspiring teaching and learning spaces, some of the 4,000 school-aged children who left the district might be ready to return to a new Cleveland, to Ivy Wells, or Benson. Hopefully, those environments will be inspiring enough to draw folks back to live in Portland.

Commissioner Wubbold asked the following questions:

Turnover in all sectors is high right now, and schools are no exception. Are teachers at PPS resigning or retiring at higher rates than pre-pandemic? What policies and programs has PPS invested in to support retention at schools?

Sharon Reese said that PPS is not experiencing significant resignations or retirements, only about five percent. The district is seeing an increase in staff requesting a leave of absence for various reasons. PPS is proactive about retention. The district is invested in a couple of retention strategies. Wanting to offer competitive salaries, they restructured and made market adjustments to most administrators' salary structures. The one area they struggle with is staffing and retaining staff in Special Education. Staff is guided by the Strategic Plan directive to maintain a high-functioning workforce. They are giving a retention stipend to principals who stay a full year and giving employees recognition awards for continued employment with the district.

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 2023-24 Approved budget. She asked if the commissioners had any questions or comments concerning the budget. There were none.

She asked Executive Director Allegra Willhite to 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, complex, statistical information, which is valuable for the community. PPS staff has also been a great partner, always checking with TSCC on issues to ensure compliance with Local Budget Law. Addressing the certification letter, Ms. Willhite said TSCC staff found the budget estimates reasonable for the purposes stated and the budget substantially to comply with budget law. TSCC staff has no recommendations or objections to the 23-24 approved budget.

Chair Quiroz called for a motion. Commissioner Wubbold moved to certify the Portland Public School District's Approved Budget with no recommendations or objections, as staff suggested. Commissioner Ofsink seconded the motion, which passed with a unanimous vote of the commissioners.

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