

# Portland Public School District Hearing Minutes

Tuesday May 1, 2024 5:00 pm

501 N Dixon Street

Portland, Oregon

Portland Public School District's \$1.9900 Local Option Levy

**Measure 26-246**

**May 21, 2024 Election**

TSCC

Present:

Chair Harmony Quiroz, Commissioners Matt Donahue, Tod Burton, Allison Lugo Knapp, Executive Director Allegra Willhite, and Budget Analyst Tunie Betschart

Absent:

TSCC Commissioner Mark Wubbold

Portland Public School District

Board:

Board Chair Gary Holland; Directors Andrew Scott, Patte Sullivan, Julia Brim-Edwards and Eddie Wang

Staff:

Interim Superintendent Sandy Husk, Chief of Research and Accountability Renard Adams, Senior Manager of Government Relations Lisa Merrick, Chief of Student Support Services Jey Buno and retired Deputy Superintendent of Business and Operations Claire Hertz

Chair Quiroz asked if anyone in the room would like to speak. No one requested to speak. So, with that, the commissioners began asking the prepared questions.

**TSCC Questions:**

**Commissioner Allison Lugo Knapp asked the following questions:**

A recent report to the Community Budget Review Committee shows the levy supporting 851 positions in FY 2022-23, yet the ballot measure estimates the levy will provision 660 positions on average going forward. Can you please share with us why the number of supported positions is expected to decrease?

Ms. Lisa Merrick said positions are based on funding available. There are two primary reasons that the number of positions funded by the levy has decreased. The district's initial revenue projection was for the levy that was completed in 2019. That showed that the levy supported 851 positions. However, the real estate market is very different from four years ago. Based on the Multnomah County economist's most accurate evaluation and compression trends, the revised estimate is approximately \$11 million less than initially projected. The initial estimate was \$116.9 million, and the new estimate is \$106 million. Less revenue means that the district can fund fewer positions. Additionally, the district's salaries, benefits, and costs per teacher have increased since 2019. The district's projected average teacher salary, benefits, and total compensation cost is \$147,345 per full-time employee. For FY2022-23, \$106.5 million was collected by the local option levy, and the average cost for teachers was \$125,161, which enabled us to fund the 851 positions.

The ballot measure indicates funds will be used for both teachers and education support. What is the percentage breakdown of how funds will be used – how many teachers vs. how many educational support staff?

Ms. Merrick said PPS had not proposed a specific percentage for classroom teachers versus classroom support staff for the first or other years of this levy renewal. These are decisions that will be made by the school board when approving the district's budget each year. However, in the PPS School board resolution number 6589, which referred the levy to the ballot, the board did commit that levy revenue shall be used to fund teaching positions at every school in the district, ensuring students have access to a well-rounded education with many equitable enrichments for elementary and middle grades, and focus electives that help prepare high school students for a career or college, including CTE programs, science, technology, engineering, math, and STEM programs. As part of the 2025-26 school year budget, the levy revenue could also fund the classroom support positions across the district, which would include educational assistance, reading specialists, special education, and certified personnel to help identify students with mental or behavioral health needs, academic issues or other needs.

Regarding those actual positions, how does a district determine how they're spread out versus regionally or per school, or how do they allocate positions funded by the levy across the different schools?

Ms. Clair Hertz said the district determines the spending based on going across all of the average teachers across the entire district. They place all teachers into the general fund and then modify it by posting an average of all teacher costs to that local option levy calculation. It is done each year based on actual costs so that the district is being true to not selecting one lower cost or higher cost teacher, just an average across the district.

**Chair Quiroz stated the following:**

So, it's an equal distribution among all schools. The local option levy funds finance a percent of the FTE at a given school.

Ms. Hertz said the district has an equity formula for staffing. However, the funding for all staffing comes from the State School Fund, property taxes, and the local option levy. The district has an equity component in the budget already built into the staffing formula. The amount funded from each source of funding is done on an average basis.

The ballot measure indicates funds will be used for both teachers and education support. What is the percentage breakdown of how funds will be used – how many teachers vs. how many educational support staff?

**Commissioner Burton asked the following question:**

The ballot measure calls for having students be career- or college-ready. What does that look like in practical terms? Are specific metrics tied to this goal, and how are those tracked related to levy funds?

Mr. Renard Adams said the district tracks college and career readiness. PPS staff presents that data to the board annually, as well as the graduation data. The calculation is made after students have graduated. For example, for the class 2023, 69% of that class was deemed College and Career Readiness.

Part of the question was what all goes into that. First and foremost, PPS teachers are great facilitators of learning and help support students in College and Career Readiness through their various courses. Some of those indicators that the district looks for are students who complete three or more AP courses, three or more IB courses, and three or more dual credit courses. Students who complete a CTE pathway are also considered college and career-ready. The district also looks at students who attain the seal of bi-literacy, who reach College and Career Readiness scores, or indicators on any of those College and Career Readiness assessments, like the SAT, the ACT, or the PSAT. There are a variety of ways that students can demonstrate College and Career Readiness. The district is tracking all of those.

Is that ongoing? Is it something you've been doing for some time, or is this a new initiative relative to the new authorization of the levy?

PPS has been doing this for at least three school years now, and it was already something the board had great interest in and wanted a report on annually.

**Commissioner Burton asked these follow-up questions:**

So, is this more targeted toward secondary education students? High school students?

When discussing distributing resources from the operating Levy, does this become part of that equitable distribution? However, will the emphasis be on those programs or instruction for high school students?

Mr. Renard Adams said yes, that is correct.

So, it doesn't affect the balance of how the resources from the levy would be distributed among all your schools?

Mr. Adams said no. As Ms. Herz had explained, it's across the average teacher cost.

**Chair Quiroz asked the following questions:**

This ballot measure also specifically mentions support for mental health, something not included in prior levy ballot measures. How will these funds be used specifically to support student mental health? And how will you measure whether the funds are impacting this area?

Mr. Jey Buno said the district supports all students access to high-quality teaching and learning through safe and affirming environments supported by embedded social-emotional learning and restorative justice. PPS knows that the needs of the students have grown since the pandemic. The levy provides critical funding to support students through a comprehensive approach to academic and mental health and social-emotional challenges. So specifically, the levy funds teachers who receive professional learning to deliver trauma-informed social-emotional learning curriculum every day in the classroom. That directly supports a healing-centered school community. The district measures the impact of these investments in mental health, behavioral health, trauma-informed social-emotional learning, and restorative justice instruction through the annual administration of the successful school survey, looking at the disciplinary referrals and through the mental health referral data.

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

You mentioned that since the pandemic, the need has increased. Now that the pandemic is aging out some, are you seeing an improvement?

Mr. Buno said PPS continues to see that students have significant needs. The teachers are continuing to demonstrate the capacity to respond to that need because of the additional resources and training that PPS is investing in them to support students.

**Commissioner Matt Donahue asked the following questions:**

Enrollment has decreased in recent years. What trends are you projecting in the years to come? If enrollment continues to decrease, is it possible that you will need fewer

teachers? How would that impact your plans for spending the levy and other available funds?

Mr. Adams said the trends and projections can change, of course. Currently, the district gets the enrollment projections from the Population Resource Center at Portland State University, and they're projecting that enrollment will continue to decline for at least the next nine years before it flattens and then starts to increase slowly again. However, the cost of providing education continues to grow every year. The number of positions funded by the local option levy has reduced over time. If enrollment declines as projected, the district may need fewer teachers. However, because the average costs associated with teachers continue to rise along with their salaries and benefits, the levy becomes even more critical to maintaining the workforce needed to support the students.

Is there a point in your projections or stress testing that you would consider going out for a lower levy amount than a renewal of the current rate?

Ms. Sandy Husk said it would be hard to predict right now, not knowing what will happen with state funding and what will go on with the enrollments. To add a little to the question, "Are we starting to see change in students' mental health issues after the pandemic?" The issues are complex. Other factors are influencing students' mental health. PPS has had extensive discussions about students' access to social media and how that's impacting pre-teens and younger teenagers, especially girls. The district has to keep monitoring what's going on in the community, and what the expectations are for the community regarding student results, and then weigh those decisions annually. She said she feels that the district and the board are doing an excellent job of using data to make those decisions. Predictions can be made, and then things change, and there is an opportunity to readjust some of your thinking at that time.

Mr. Andrew Scott said he wouldn't be interested in reducing the levy until the state fully funds education in Oregon. If the state were to step up and fund the quality education model, PPS could undoubtedly have a conversation with the taxpayers about whether to reduce the local burden. However, the main reason is the higher cost of running the school district in Portland and the fact that the state doesn't adequately fund schools. The board can have that conversation when that happens, but he doesn't see it happening soon.

**Chair Quiroz asked the following questions:**

As the elected decision-makers for our school district, you know that the district has faced several challenges. We've talked already about the pandemic. There was a significant teacher strike this year. Then, add the issues of students' mental health, all the things that we face as parents and community members, and students face every day in the classroom, but we've seen big things in the City of Portland as well. What is the district doing, or what do you think the next steps should be to rebuild

confidence with voters that the district is heading in the right direction and is the right place for all our students?

PPS Board Chair Gary Holland said one of the things that PPS has done is hiring the interim superintendent, Dr. Husk, who has been challenged to rebuild the trust with the union leaders, the staff, and the community. Part of that is that the district has to recognize this is not just a PPS thing. There have been unprecedented challenges for all districts in the last few years. Director Scott did a town hall awhile back that received excellent reviews. The board members getting out and talking with the community and working with staff is a way to build trust with the community.

Ms. Patte Sullivan added that she is a new board member trying to get out to the schools and see what's happening. She said she is retired and visits schools during the day. She has volunteered and gone in when teachers ask for board members to see what's going on. That has been amazing. She has seen the challenges that students and teachers are dealing with. She has also visited with the chiefs of staff when they don't see the principles, and she is getting a better feel for the whole district. She had an opportunity to do the town hall at Franklin, and the students discussed their problems and ways they thought the school could be better for them. Their ideas were amazing. These visits made me realize what a wonderful place PPS is and the district's diversity.

PPS needs more teachers and more aids. This levy helps a lot, but it's the healing that everyone needs to do and work on together to accomplish. All board members have to get out there as much as possible. They should go to events when invited. The more time the board spends with the community, the more it will help reach the district's goal of trust.

Ms. Julia Brim Edwards said her board service has spanned three decades. She has seen a lot of changes at PPS: big enrollment drops, \$100,000 or less in the reserves, and the lead in the water crisis. She believes PPS is well-positioned to rebuild confidence.

Covid was something that impacted all districts around the country. Indeed, the strike was hard on families. However, PPS offers impressive opportunities for kids and neighborhoods across this city. The district has excellent teaching. The board is focused, has a set of goals they have been focused on and is very committed to even through Covid. They align the resources. They make data-driven decisions, and parents can see that the district is trying to move as many resources as possible close to the classroom. PPS has lots of community events. There are so many opportunities to celebrate the students. She gave several examples:

- Arts Alive, where thousands of kids were at the art museum, basically showing their brilliance at whatever their art form.
- The two amazing basketball teams that placed at the top of the state tournament.

- The constitution team is always nationally competitive.

There is a lot for students and families to look at with pride and see what value they get from public schools. PPS needs to continue to communicate about that. As the district enters another tough budget year, continue to focus the resources on the students and be very transparent, even when the district is making tough decisions. That is how to build back trust with the community and staff.

What work is the district doing to re-engage folks who have opted out or left the district but still live here?

Mr. Holland said that's the piece about the communications aspect. PPS, the board, the teachers, and parents need to let folks know what the district offers, and there are robust offerings through PPS that most other districts can't provide. Everyone must make sure that folks understand what the district has to offer. The district must be transparent and let them know the accurate information. When students graduate from PPS, they go off to do great things. Focus on that aspect and get away from the noise and distraction of a district this size.

The class sizes have been steady overall now. Get that message to parents. Send the message to the preschoolers and advocate for Preschool For All programs. Encourage folks to start their children at a younger age. PPS needs to focus on those things to recapture the rate of parents' interest in returning to PPS.

Ms. Huff added the district must be honest. There are some big classes, and what will PPS do about them? A lot of that is getting more funding. The district cannot pretend it's not there. There are problems. Honesty will result in trust. 50:33

**Commissioner Burton asked the following questions:**

What would happen if voters do not approve the local option levy? Are there other potential avenues of funding you could pursue?

Ms. Merrick said the current levy expires in June 2025. The board could still choose to put the measure on the November 2024 ballot if the levy does not pass this election. However, if the tax measure does not pass before it's set to expire, the teaching and support positions will not be funded as proposed. The current property tax of \$1.99 per \$1,000 assessed property value will not continue without levied funds. The district would face a \$100 million budget gap for the 2025-26 school year. PPS would be looking at a significant reduction in teaching staff. PPS is continuing to advocate for additional resources at the state and federal levels. However, the district is unaware of any other funding streams that could replace those local option levy funds.

It's good to do this a year before you need the funding.

Ms. Huff said it was a reminder that \$100 million is from the local option levy. There would be an additional reduction based on the general fund expenditures and revenues not aligning. This budget problem that PPS is in right now is a three-year problem, not a one-year problem.

What's your confidence that this will pass and that voters support the measure?

Mr. Holland said he was confident it was going to pass. Anytime you have something that directly affects your kids, you will most likely vote for it. People understand the effects if this measure doesn't pass and the impact it would have on their kids.

Ms. Brim-Edwards added because it's a renewal, it dramatically increases the likelihood it will pass. There's significant distinction among voters between things that are renewals and those that are new. New taxes would be an increase. The district is making sure that people know it's a renewal. The rate stays the same. It's also important across the region because there's been this regional discussion about increasing and trying to keep it a renewal.

I know you can't engage in this directly as a district, but do you have someone working with your community support group who can more actively educate people about this measure? Have they done any polling?

Ms. Brim-Edwards said the district polled and saw that people were tax-sensitive due to the affordability issue. This community values a comprehensive set of electives, the Career Technical Education, the arts, music, and physical education, and reasonable class sizes. Those are all very compelling arguments for people to support the levy.

**Commissioner Lugo Knapp asked the following questions:**

It is a challenging time for school funding across the state, and we know funding discussions with the legislature are ongoing. What's your strategy? What changes would you like to see at a state policy level?

Ms. Merrick said the district is beginning to develop its legislative agenda that the board will approve before the 2025 legislative session. The district has already called on the governor to review and change the state school formula. PPS is also urging the state to modernize and fully fund the quality education model, a statistical analysis that the state conducts on what it would cost to provide quality education to all of Oregon's 197 districts.

The district is asking for an adjustment to address the funding to Oregon's urban schools as they have higher costs and needs. PPS is calling on the state to remove the cap on special education funding so it does not align with the number of special education students that districts serve. It also calls them to remove the statutory limit on local option levy collections. If the district exceeds the cap, that amount will be deducted from the state school fund revenue. PPS wants to make sure that the cap is



addressed. The district will continue working with several K-12 organizations, families, and community members to elevate these priorities to the governor's office and legislature.

Do you have a proposed timeline for introducing these to the legislature, when you might see actual changes, or what can be implemented?

Ms. Merrick said they will continue calling on the state to, at a minimum, provide funding to meet school districts' needed service levels. It's not just PPS that is facing these challenging financial constraints. It is a statewide issue. The district has seen a lot of headlines from districts all over, so there is a need for the legislature to ensure that they can meet these acute financial challenges, or it will become very dire statewide. The district doesn't want to be constrained by the needed service level. They want the state to look at fully funding the quality education model. That will be important for the state to take on. As part of modernizing the Qualified Education Model, the state should accurately capture the current realities of the schools by evaluating current expenses and incorporating new costs like current best teaching practices and technology, expanded access to early learning, and more support for student behavioral health. PPS wants to ensure revenue can support school districts through challenging times.

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

You mentioned the statutory cap. Do you expect to hit that cap with this new renewal?

Ms. Merrick said that the district is not expecting to hit that statutory cap based on the current projections, which are lower than initially projected. If anything changed, if assessed real estate values went up, or things that the district hasn't projected changed, they could reach that cap. It's doubtful that it will happen in the life cycle of this levy, but it's something the district wants to plan for in the future.

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

How are you engaging with community members in the conversations about state funding?

Ms. Huff said some coalitions are being built around other agencies, with grassroots approaches and parent groups across the state, such as Stand for Children. The superintendents are forming a similar coalition to what was done back in 2011 when there was a pretty successful initiative around policy change at the state level. While it is more on the news in the larger urban areas, smaller districts also suffer. The district needs to organize, have common messaging, and do more background work with the numerous new legislators with the passion the district typically brings to the table when advocating for students.

Ms. Brim Edwards added that the Portland Association of Teachers engages with the legislative groups. This is going to be a place where all school districts will be able to come together and advocate for kids. That's a very powerful coalition to show up in Salem. Also, at people's town halls and in their neighborhoods, when they're running into them at the bank or the grocery store, talking to especially young parents who are just entering the system, a real new energy and desire to make a difference in Salem in those conversations and doing it again with teachers, superintendents and then the rest of the school district.

**Commissioner Donahue asked the following questions:**

The last local option levy renewal stated that performance auditing of school district programs would be done, and performance audits are also mentioned for this renewal. Can you please provide an example of performance audits for the levy that were completed in the past? What were the results?

Ms. Hertz said the Portland Public Schools Office of Internal Performance Audit conducts the performance audits. PPS also has external auditors to audit the district's annual comprehensive financial reports and expenditures for federal grant funds. These audits and their results are available on the district's website. The purpose of the internal performance audits in PPS is to address whether PPS is operating economically and efficiently and achieving desired results.

The purpose of the internal performance audit function is to help improve the accountability and performance of PPS through independent auditing and reporting. While there has not been a specific performance audit of the levy each year, the Community Budget Review Committee verifies and reports to the Board of Education the projected number of teachers funded by the local option levy. The CBRC's most recent report is available on the website. It was found that in fiscal year 2022-23, all levy funds were spent as approved by voters.

Do you anticipate updating performance measures for this levy renewal?

Ms. Hertz said the CBRC will continue to review and report on how the levy has been spent. The board approves an annual audit plan for the Performance Auditors. The board's audit committee develops it. It outlines which performance audits will be conducted each year. It is not in the staff's hands. It's in the board's hands and some community members who volunteer for the audit committee.

Chair Quiroz thank everyone for their thoughtful responses and engaging with the commissioners. She asked Executive Director Willhite if anyone had signed up to speak or if anyone in the room would like to speak. There was no one.

She asked the district if they would like to say anything or make any additional remarks to the voters about the local option levy. There was nothing they wanted to add except get out and vote in favor of the levy. With that, she closed the hearing.