



# Portland Public Schools Board of Education



# 2010-2011 Agenda

Regular Meeting  
June 27, 2011



***NOTE: The Board's agendas are focused on the five strategic operatives of the District as found in the 2005-2010 Strategic Plan: Excellence in Teaching and Learning; Excellence in Operations and Services; Strong Partnerships with Families and Community; Leadership for Results; and Continuous Learning Ethic.***

**Portland Public Schools Nondiscrimination Statement**

Portland Public Schools recognizes the diversity and worth of all individuals and groups and their roles in society. All individuals and groups shall be treated with fairness in all activities, programs and operations, without regard to age, color, creed, disability, marital status, national origin, race, religion, sex, or sexual orientation.

Board of Education Policy 1.80.020-P



# PORTLAND PUBLIC SCHOOLS

Mailing Address: P.O. Box 3107 / Portland, Oregon 97208-3107  
Telephone: (503) 916-3741 • FAX: (503) 916-2724

## STAFF REPORT SUPERINTENDENT RECOMMENDATION TO THE BOARD

**ACTION/INFORMATION ITEM: REASSIGNMENT OF NEXT YEAR'S RIGLER 7<sup>TH</sup> AND 8<sup>TH</sup> GRADERS TO VERNON FOR 2011-12 AND 2012-13 SCHOOL YEARS**

**Board Committee Meeting Date: June 16, 2011**

**District Priority: Balanced School Enrollment**

**Board Meeting Date (if action item): June 27, 2011**

**Executive Committee Lead: Sara Allan**

**Department: Systems Planning & Performance**

**Staff Lead: Amanda Whalen**

### **I. ISSUE STATEMENT**

The combination of an increasing neighborhood population, higher capture rate and an immersion program for the neighborhood population adding grades each year has resulted in a lack of classroom space and crowded community areas at Rigler. Despite receiving a modular building this past fall, Rigler will need two additional classrooms for the 2011-12 school year. With no additional classrooms in the building, and some continued growth expected, there are no easy solutions to address this problem. After weighing a number of options, staff is recommending that next year's 7<sup>th</sup> and 8<sup>th</sup> graders be reassigned to Vernon for the 2011-12 and 2012-13 school years, as a temporary solution. Staff also recommends that the district embark on a broader boundary and program review process this fall to identify a long term solution to enrollment imbalances and overcrowding in the Madison cluster.

### **II. BACKGROUND**

This past Fall, Rigler's Kindergarten enrollment jumped by a section to include two English-only sections, and two Spanish Immersion sections. At this point, with approximately 70 students already enrolled for Kindergarten for the fall, we can expect to see 4 sections again. Additionally, as Rigler's Spanish Immersion program continues to expand, an additional classroom is needed for the 6<sup>th</sup> grade Spanish Immersion section. In addition to its regular general education classrooms, Rigler has 4.5 ESL teachers in two classrooms and 2 Learning Center teachers in one room. There are also a number of community partnerships and other services that require space in the building.

In addition to waiting on the Kindergarten numbers, since Rigler was on the list of initial schools for the bond, we had anticipated identifying a facilities option (such as a modular with bathrooms) for the 2011-12 school year until the school population moved into its "swing space" while the new building was being constructed. While Rigler will be included in next

year's district-wide program and boundary evaluation process, after the bond failed, it became essential to identify an immediate, short-term solution for the Fall of 2011.

Staff looked at a number of options including facilities, boundary, and policy changes (described below); ultimately however without capital improvements in the near future, the reassignment of some students was the only short term solution that provided Rigler with enough relief to run an effective education program.

By moving next year's 7<sup>th</sup> and 8<sup>th</sup> grade students, the combined group of Rigler and Vernon middle years students will be afforded more educational opportunities. Vernon is an International Baccalaureate candidate school and just had its first auction raising \$40,000 for art and music enrichment. Currently, Vernon only has 1 section per grade at 7<sup>th</sup> and 8<sup>th</sup> grade. Through the reassignment of approximately 100 additional students (2 sections at each grade), Vernon will be able to offer additional electives, and receive an Assistant Principal and additional clerical support.

### III. RELATED POLICIES/BEST PRACTICES

The process staff used in this situation is consistent with the Student Assignment to Neighborhood Schools Board Policy, 4.10.045.P and the Administrative Directives for Residency & Neighborhood Student Assignment, 4.10.047-AD, and Student Assignment Review & School Boundary Changes, 4.10.049-AD.

### IV. COMMUNITY ENGAGEMENT

**May:** Two Rigler community meetings to discuss space concerns and potential options for Fall 2011.

**June 1:** Ad Hoc Committee on Student Assignment and Program Initiation and Reconfiguration reviewed background information.

**June 6:** Recommendation announced to Rigler students and staff and Vernon staff

**June 7:** Flier sent home with affected Rigler families and Vernon families. Discussion at Vernon PTA meeting.

**June 8:** Rigler community meeting for affected families. All families in both communities receive family advisory (attached) and autodialer calls.

**June 9:** Rigler students visit Vernon during the school day. Vernon open house for Rigler families.

**June 9-10:** Individual phone calls home to all affected Rigler families in their home language to discuss options including transportation and childcare concerns.

**June 15:** Vernon open house for Rigler families, 5pm.

**June 16:** Ad Hoc Committee on Student Assignment and Program Initiation and Reconfiguration will review final recommendation and draft resolution.

**June 27:** Board Vote on resolution.

Ideally, more time would be afforded for community engagement in a situation like this, but unfortunately the extenuating circumstances described above circumvented this option.

### IV. BOARD OPTIONS

In addition to its recommendation, staff looked at the following options:

**Option 1: Facilities Change:**

a) Place another modular at Rigler for next year.

PROS	CONS
<ul style="list-style-type: none"> <li>• Able to maintain K8 program at a single site</li> <li>• Fewest transitions/moves for students and teachers</li> </ul>	<ul style="list-style-type: none"> <li>• Potentially would not be in place until December due to city planning requirements.</li> <li>• Estimated cost: \$400-500K including potential street improvements</li> <li>• Does not address over-crowding in auditorium, gymnasium, or bathrooms</li> <li>• Cafeteria is crowded and slow—high population of students eating lunch means long lines and students are rushed</li> <li>• Would only address next year's space concerns</li> </ul>

b) Remodel rooms 27A, B, and D to use for ESL program, and for secretaries and nurse. Place a temporary construction trailer for adult use for partners on the campus. Could also be utilized temporarily until modular is in place.

PROS	CONS
<ul style="list-style-type: none"> <li>• Able to maintain K8 program on one site</li> <li>• Fewest transitions/moves for students and teachers</li> </ul>	<ul style="list-style-type: none"> <li>• Approximately 250 ELL students would need to be serviced in smaller space/ converted office</li> <li>• Secretaries in former closet, nurse in former bathroom</li> <li>• Does not address over-crowding in auditorium, gymnasium or bathrooms</li> <li>• Cafeteria is crowded and slow—high population of students eating lunch means long lines and students are rushed</li> <li>• Would only address next year's space issues</li> </ul>

**Option 2: Boundary Change:** Rigler has five contiguous schools for K8: Alameda/Beaumont, Faubion PK8, Scott K8, Vernon PK8. Alameda’s space utilization is at 103%, Faubion’s is at 116%, and Scott is at 134%. Vernon’s capacity utilization is at 73%. Generally, boundary changes only apply to new students, and would take several years to result in the substantial relief needed at Rigler. In order to do an effective boundary change, it is likely that we will need to move multiple boundaries in order to free up space in the contiguous schools (e.g. move some of Rigler into Scott, and some of Scott into Roseway Heights). While Vernon only has one section in grades 6-8, it is also experiencing a higher capture rate at the younger grades where there are three sections of Kindergarten.

**Option 3: Move Kindergarteners to a “satellite” site:** identify a separate location for four Kindergarten sections that would feed to Rigler.

PROS	CONS
<ul style="list-style-type: none"> <li>• Do not have to move any currently enrolled students</li> <li>• Able to maintain K8 structure on two campuses</li> <li>• Does not require integrating students into new school community</li> <li>• No modular needed</li> </ul>	<ul style="list-style-type: none"> <li>• Isolation of Kindergartners and teachers</li> <li>• Would require transporting youngest students</li> <li>• Challenge for parents with students at multiple sites</li> <li>• Challenge of transitioning at first grade</li> <li>• Potentially large costs associated with preparing “satellite” site that did not house Kindergartners including a city land use review</li> <li>• Would require additional administrative staff to oversee satellite location</li> <li>• Staffing challenges to support isolated grade (PE, ELL, SPED, nutrition services)</li> </ul>

**Option 4: Policy Change:**

There are currently 96 students attending Rigler who do not live in the neighborhood. Of those 96 students 53 of them are from Scott which is also a crowded school. However, we could implement policy changes that result in those students returning to their neighborhood school.

**Students on Transfer:** While Rigler has been mostly closed to transfers since 2008, there are a number of current students who transferred into Rigler when that was an option. The Student Enrollment and Transfers policy states that “Students enrolled in a transfer school do not have to reapply until completion of all grades in that school.” (4.10.051-P, Section VI 2) The

administrative directive for Student Transfers defines “Length of transfer: Neighborhood and transfer students may remain in a school to the highest grade of the school.” (4.10.054-AD, Section III 8)

**Students Who Move:** There are also a number of students who attend Rigler who used to live in the neighborhood but have now moved. The Student Assignment to Neighborhood Schools policy states, “Students have a right to attend their neighborhood schools through the highest grade...” (4.10.045-P, Section III B) The Residency and Neighborhood Schools administrative directive states that when students move, they “may remain in their currently enrolled school to the highest grade.” (4.10.047-AD, Section V A 2)

Pursuing this option would require that the Board temporarily waive these policies.

**VIII. STAFF RECOMMENDATION**

Recognizing that this is an unfortunate timeline and challenging transition for students and families, staff proposes moving next year’s 7<sup>th</sup> and 8<sup>th</sup> graders from Rigler to Vernon while the District examines the issues around boundaries, enrollment and grade configuration at Rigler as part of a separate, district-wide process.

In making this recommendation, the staff not only looked at the pros and cons listed below, but also took into account Vernon’s strong and receptive leadership in its principal, Tina Acker, a critical factor in a move of this nature, as well as the engaged and welcoming parent and student community.

**Move current 7<sup>th</sup> and 8<sup>th</sup> grade students to Vernon:**

PROS	CONS
<ul style="list-style-type: none"> <li>• Large cohort (over 100 students) that could move together</li> <li>• Would allow Rigler space needed to grow for two more years</li> <li>• Students from both Rigler and Vernon can feed to Madison together</li> <li>• Vernon is an International Baccalaureate candidate school</li> <li>• Larger middle school cohort would allow for more electives and opportunities in combined Vernon/Rigler community</li> <li>• No modular needed or other site related costs (costs limited to moving teachers and transportation)</li> </ul>	<ul style="list-style-type: none"> <li>• Rigler has already experienced split community in past (8<sup>th</sup> graders at Madison in 2008-09)</li> <li>• Transition for students who have been in the school for 7 or 8 years</li> <li>• Transition for teachers</li> <li>• Late in the year to tell families</li> <li>• Challenges for parents with students in multiple schools include different bell schedules, transportation and after school needs</li> </ul>



V. **FISCAL IMPACT**

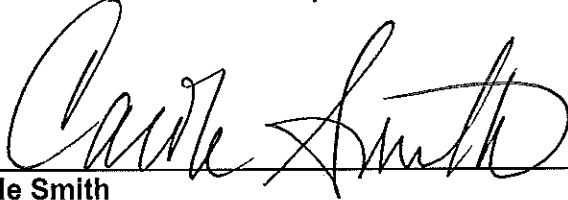
Below are the potential costs identified with the implementation of moving the 7<sup>th</sup> and 8<sup>th</sup> graders from Rigler to Vernon:

Transportation: Anticipating 2 additional buses at \$33,000 (net cost to District)  
Teacher moving costs: Approximately \$8,000 to move Rigler teachers.  
IB training for teachers: Approximately \$2,000 per teacher for up to four teachers.  
Transitional support: \$5,000 for summer programming for students and teachers.  
Staffing: Due to increased enrollment, Vernon will earn additional administrative staffing.  
Assistant Principal at Vernon - \$133,000. Additional clerical support at Vernon - .25 FTE (~\$25,000)

VII. **TIMELINE FOR IMPLEMENTATION/EVALUATION**

If accepted, this recommendation would go into effect immediately. Families will be notified by telephone and in writing, and several summer orientation activities will be offered for Rigler families at Vernon prior to the start of the school year.

I have reviewed this staff report and concur with the recommendation to the Board.



Carole Smith  
Superintendent  
Portland Public Schools

6.13.2011  
Date

**ATTACHMENTS**

*(List all supporting documentation, including resolution, etc.)*

- A. Family advisories for Rigler and Vernon
- B. Resolution XXXX



## Proposed transfer of Rigler students in grades 6 & 7

Portland Public Schools is proposing to transfer current Rigler K-8 School sixth-graders and seventh-graders to Vernon PK-8 School, 2044 N.E. Killingsworth St.

The transfer would take effect this fall: September 2011.

### Why is PPS proposing to transfer students?

Overcrowding at Rigler has reached a critical point. First, there are more than 600 students, so classroom space is tight. Second, Rigler is fortunate to have many partners (SUN, IRCO, Playworks, etc.) to help our students succeed. But these programs all require space in the building.

### Is a transfer really necessary?

Rigler is very crowded. Here are four examples:

- ▶ Because of the large number of students, Rigler is running four lunches. This means that students have very little time to eat during their lunch period.
- ▶ There is a shortage of student restrooms.
- ▶ Special education teachers and paraeducators share one room to serve 60 students a day.
- ▶ Because of space limitations, middle school elective classes are held in the library and auditorium.

### Why is PPS recommending that students transfer to Vernon?

Vernon is a PK-8, and within close proximity to Rigler. It has room for more students, and it welcomes students from Rigler.

### How is Vernon similar to Rigler?

- ▶ Its K-8 structure is the same.
- ▶ Vernon has a SUN program.
- ▶ Vernon and Rigler both "feed" to Madison High School.

### How is Vernon different from Rigler?

- ▶ Vernon's school hours are 8:45 to 3 p.m.
- ▶ Vernon is on track to become an International Baccalaureate school. IB is a rigorous, worldwide academic program.
- ▶ Vernon has 350 students, and would have 450 with all of the Rigler seventh- and eighth-graders. It can comfortably fit that number.
- ▶ Vernon students do not wear uniforms.

### What special programs does Vernon have?

- ▶ Students have electives such as: physical education, Spanish, technology and library.
- ▶ Thanks to an active PTA that raised \$40,000 this year, Vernon students will have both art and music enrichment next year.

- ▶ Vernon has a SUN program.
- ▶ Vernon has track and may add basketball next year.
- ▶ Self Enhancement Inc. provides services to Vernon students, including academic support, enrichment and family resources.

### What would a transfer mean for students?

If all grade 6 and 7 students transfer, Vernon will have 200 middle-grade students — enough to add teachers and programs. The expanded middle-grade program would also have social advantages for students.

### Would students starting seventh grade this fall return to Rigler for eighth grade?

Students starting seventh grade would stay at Vernon through eighth grade.

### Is there a long-term plan to address overcrowding?

PPS will begin a community process to find a long-term solution, including boundary and school structure.

### Would there be bus service?

Yes. PPS is working on transportation schedules and hopes to align Rigler and Vernon bus schedules.

### What happens next?

Superintendent Carole Smith will recommend the transfer to the Portland School Board's Student Assignment and Program Initiation and Reconfiguration Committee on June 16 at 2 p.m., and the board is scheduled to vote June 27. Share thoughts: Testify at June 13 and June 27 board meetings, email [superintendent@pps.k12.or.us](mailto:superintendent@pps.k12.or.us) and [ppsboard@pps.k12.or.us](mailto:ppsboard@pps.k12.or.us).

### How can I learn more?

- ▶ Sixth-grade and seventh-grade families are invited to a meeting Wednesday, June 8, from 5 p.m. to 6 p.m. in the auditorium. Dinner will be served.
- ▶ Sixth-graders and seventh-graders will visit Vernon on Thursday, June 9, from noon to 1:20 p.m.
- ▶ Rigler families are invited to visit Vernon at 5 p.m. Thursday, June 9, and Wednesday, June 15.

### If the transfer is approved, will students have an opportunity to get together before school starts in September?

If the Portland School Board approves the transfer, Vernon will host an event for new Rigler students and another for families before school starts. Activities also will be planned for all 6-8 students when school starts.

### How can I share my thoughts?

Contact the project manager, Amanda Whalen, [awhalen@pps.k12.or.us](mailto:awhalen@pps.k12.or.us), 503-916-3131.



## Proposal would add students to Vernon

Portland Public Schools is proposing to transfer current Rigler K-8 School sixth-graders and seventh-graders to Vernon PK-8 School.

The transfer would take effect this fall: September 2011.

### Why is PPS proposing to transfer students?

Overcrowding at Rigler has reached a critical point. First, there are more than 600 students, so classroom space is tight. Second, Rigler is fortunate to have many partners (SUN, IRCO, Playworks, etc.). But these programs all require space in the building.

### Why is PPS recommending that students transfer to Vernon?

Vernon is a PK-8 and is near Rigler. Vernon has room for more students. It has 350 students, and would have 450 with all of the Rigler seventh- and eighth-graders. It can comfortably fit that number.

### What would a transfer mean for Vernon students?

If all of the Rigler students transferred, Vernon would have 200 middle-grade students — enough to add teachers and programs. The expanded middle-grade program would also have social advantages for students.

### Would students starting seventh grade this fall return to Rigler for eighth grade?

No. Students starting seventh grade would stay at Vernon through eighth grade.

### Will Rigler students and/or families visit Vernon?

Yes. Rigler sixth-graders and seventh-graders will visit Vernon on Thursday, June 9, from noon to 1:20 p.m. Families will be invited to visit Vernon in the next week. If the Portland School Board approves the transfer, Vernon will host an event for new Rigler students and another for families before school starts. Activities also will be planned for all 6-8 students when school starts.

### What happens next?

Superintendent Carole Smith will recommend the transfer to the Portland School Board on June 13, and the board is scheduled to vote on June 27.

### Is there a long-term plan to address overcrowding at Rigler?

PPS will begin a community process to find a long-term solution, including boundary adjustments and school grade reconfigurations.

### How can I learn more?

Please contact Principal Tina Acker.

### How can I share my thoughts?

Contact the project manager, Amanda Whalen, [awhalen@pps.k12.or.us](mailto:awhalen@pps.k12.or.us), 503-916-3131.



# PORTLAND PUBLIC SCHOOLS

P.O. Box 3107 / Portland, Oregon 97208-3107

Telephone: (503) 916-3741 • FAX: (503) 916-2724

## **SUPERINTENDENT'S RECOMMENDATION TO THE BOARD AND STAFF REPORT**

**TITLE:** *REDEFINE FUND 225, THE PERS RATE STABILIZATION FUND*

**Board Committee Meeting Date:** June 21, 2011  
accountability for results

**District Priority:** Build shared leadership and

**Board Meeting Date:** June 27, 2011

**Executive Committee Lead:** Neil Sullivan

**Department:** Finance/Accounting

**Staff Lead:** Carol Ann Kirby

### **I. ISSUE STATEMENT**

Effective June 30, 2011 GASB Statement 54 redefines the classification and treatment of fund balances based upon level of constraint. To ensure compliance with the GASB Statement 54 and to designate the PERS Rate Stabilization Fund for use as provided in the initial June 2003 Board resolution, the District must identify specific, dedicated revenue source(s), of which fund transfers do not qualify.

GASB Statement 54 further requires the District, through formal action, to identify parameters on the use of the special revenues. Such policy direction shall state who, how and when authority to commit to use of the funds will be allowed.

### **II. BACKGROUND**

- In fiscal year 2002 many school districts and local governments across the state were dealing with the Unfunded Actual Liability (UAL) of the PERS.
- PPS addressed the Districts' UAL by participating in the Oregon School Boards Association (OSBA) Pension Obligation Bond Programs of October 31, 2002 and April 30, 2003. The amount borrowed by PPS under those two issues totaled \$491.3 million.
- The aforementioned \$491.3 million in borrowed funds have been placed in a 'side account' or trust that is administered by PERS to fund annual PERS expenses.
- Part of the strategy of issuing debt was an assumption that over the life of the borrowing the investment return on the side account would be sufficient to offset the annual PERS costs, including debt service.
- Another operating assumption was that this approach would keep the PERS costs at a more stable PERS rate as applied against salaries and wages– that assumption has been accurate up until the current recessionary period.
- Acting proactively and in concert with participation in the OSBA Bond programs, in June of 2003 the Board established a Special Revenue Fund, Fund 225, the PERS Rate Stabilization Fund under the then-existing Government Accounting Standards Board (GASB) requirements.
- The fund's purpose is to account for a reserve needed to minimize large fluctuations in the PERS rate assessed against PPS salaries and wages to repay the PERS (UAL) borrowing.

- Initial resources were budgeted transfers from the General Fund. The annual amount to be transferred from General Fund to the PERS Rate Stabilization Reserve Fund was determined by the amount of estimated overall PERS savings. Due to the financial challenges of the District these transfers have not been consistently implemented.
- Expenditures, if needed, were budgeted as fund transfers back to the affected fund.
- Since the fund was established in June 2003 the Board has twice transferred funds back to the General Fund.
  - FY 2005/06 = \$2,000,000
  - FY 2006/07 = \$2,000,000
- Consistent with the new GASB Statement 54 requirements the Budget Committee has approved a FY 2011/12 budget which uses \$1.9 million from the Rate Stabilization fund to offset some of the 1.88% PERS increase that cannot be funded by the side account.
- The District has not previously identified a specific, dedicated revenue source(s); it is only now required by GASB Statement 54.

### III. RELATED POLICIES/BEST PRACTICES

The recommendation to redefine the fund is consistent with the existing June 2003 Board resolution establishing the rate stabilization fund.

This recommendation is also consistent with the updated definition of a Special Revenue Fund and fund balance designations of GASB Statement 54.

Redefinition of the fund will allow the Board to continue existing fiscally prudent practices used to manage future year costs of the PERS Unfunded Actuarial Liability.

### IV. FISCAL IMPACT

The recommendation will dedicate a very limited amount of Current Year Property Taxes to the PERS Rate Stabilization Reserve fund. The annual amount is set at 0.11%, which is estimated at \$200,000 for fiscal year 2010/11. If this resolution is passed by the Board the identified amount of revenues will be reclassified from the General Fund and reported in the PERS Rate Stabilization Reserve Fund. These budgetary actions will be included in Budget Amendment #3 which is scheduled for Board action on June 27<sup>th</sup>.

There will be no increase in property taxes. Rather, 0.11% of Current Year property taxes will be moved from the General Fund to the PERS Rate Stabilization Fund.

Dedicating these resources to other than the General Fund may negatively impact General Fund expenditures as currently budgeted. In a practical sense the amount to be dedicated is approximately 0.047% of General Fund resources.

### V. COMMUNITY ENGAGEMENT

There was no community engagement in developing this recommendation.

**VI. BOARD OPTIONS**

There are additional options available to the Board.

1. Do not redefine the PERS Rate Stabilization Reserve Fund and leave the current allocations as budgeted. The amounts currently in the fund will be included as cash and unassigned fund balance of the General Fund in the District's annual audited financial statements. This option would remove protections on the use of the funds which will, within the next several years, significantly increase the difficulty in managing the PERS UAL.
2. Move the current amount in the PERS Rate Stabilization fund to the General Fund. The amount moved to the General Fund could be identified as an "assigned" fund balance within the District's annual audited financial statements. This option would remove protections on the use of the funds which will, within the next several years, significantly increase the difficulty in managing the PERS UAL without the resources available from the PERS Rate Stabilization Reserve Fund.

**VII. STAFF RECOMMENDATION**

Staff recommends redefining the PERS Rate Stabilization Reserve Fund to comply with GASB Statement 54, thereby ensuring the funds will be used as initially intended by the District Board.

Given the fluctuation in the various resources within the General Fund and historical expenditures patterns, staff considers this recommended revenue amount conservative and prudent.

**VIII. TIMELINE FOR IMPLEMENTATION/EVALUATION**

The timeline is immediate. This change would be effective for the current fiscal year. The results would be reported in the Comprehensive Annual Financial Report for fiscal year 2010/11.

**I have reviewed this staff report and concur with the recommendation to the Board.**



---

**Carole Smith  
Superintendent  
Portland Public Schools**

**June 16, 2011**

---

**Date**



# PORTLAND PUBLIC SCHOOLS

P.O. Box 3107 / Portland, Oregon 97208-3107

Telephone: (503) 916-3741 • FAX: (503) 916-2724

## **SUPERINTENDENT'S RECOMMENDATION TO THE BOARD AND STAFF REPORT**

**TITLE:** *BUDGET AMENDMENT #3 TO THE FY 2010/11 ADOPTED BUDGET*

**Board Committee Meeting Date:** June 21, 2011      **District Priority:** Build shared leadership and accountability for results

**Board Meeting Date:** June 27, 2011      **Executive Committee Lead:** Neil Sullivan

**Department:** Finance/Accounting      **Staff Lead:** Mark Murray

### **I. ISSUE STATEMENT**

Amend the FY 2010/11 Adopted Budget to address technical budget updates under the direction of the Superintendent.

### **II. BACKGROUND**

School districts are allowed and sometimes required by law (ORS 294.480) to amend the budget during the fiscal year. The District has experienced changes in its financial position that require updating the budget to better reflect the current status.

- On June 21, 2010 the Board by way of Resolution 4297 voted to adopt an annual budget as required under Local Budget Law.
- On September 27, 2010, the Board by way of Resolution No. 4344 amended the Fiscal Year 2010/11 budget (Budget Amendment No. 1).
- On February 28, 2011, the Board by way of Resolution No. 4415 amended the Fiscal Year 2010/11 budget (Budget Amendment No. 2).

### **III. RELATED POLICIES/BEST PRACTICES**

An amended budget is necessary to ensure effective financial management of the District's programs and priorities and to remain in compliance with ORS 294, Local Budget Law.

Specifically, the District is required to ensure sufficient legal appropriation by program area as defined in the Program Budgeting and Accounting Manual for School Districts and Education Service Districts in Oregon. The District may not expend more than is allocated for a specific program area.

Under the Local Budget Law this action is classified as a major supplemental budget because the recommendations will increase one fund, the Recovery Zone Debt Service Fund (321) by greater than 10%. A major supplemental budget requires a public hearing be held by the Board prior to a vote to amend the budget.

#### IV. FISCAL IMPACT

##### **General Fund (101)**

- The proposed amendment results in a net decrease in the General Fund of \$1.4 million.  
Resources
  - Removes the Transfer In (Other Sources) of \$1.2 million SB 1149 energy project reimbursement funding, recognizing the project costs were expended from fund 405, the School Modernization Fund.Requirements
  - Reduce Instruction by \$505,000 recognizing anticipated under spending in certain departments and programs.
  - Reduce Support Services a net of \$2.1 million. \$900,000 is related to carryover for certain projects that will not be completed in the current fiscal year. These are removed from department budget this year. The funds will be re-allocated in the FY 2011/12 Adopted Budget. \$1.2 million in reductions recognizes the SB 1149 project costs were expended from fund 405, the School Modernization Fund.
  - Reduce Facilities Acquisition and Construction by \$1.8 million. This is related to carryover for certain projects that will not be completed in the current fiscal year. These funds will be re-allocated in the FY 2011/12 Adopted Budget
  - Reduce Debt Service and transfers out a net of \$336,000 to match updated debt service schedules.
  - Increase Unassigned Contingency a net of \$3.5 million. This account includes the project carryover amounts that are reduced, above. The carryover amounts will be re-allocated in the FY 2011/12 Adopted Budget.

##### **Student Body Activity Fund (201)**

- Increase revenues from extra-curricular activities by \$495,000 and increase expenditures for student activities by the same amount.

##### **Grants Fund (205)**

- Reallocate \$2.5 million from Support Services to Enterprise and Community Services. The primary increase is in the area of family engagement and involvement. Grant affected include Title I ARRA, regular title I, VPSC, Head Start and School Improvement Grant (Roosevelt).

##### **PERS Rate Stabilization Fund (225)**

###### Resources

- Budget 0.11% or \$200,000 in Current Year Property Taxes. This action is taken to ensure the Rate Stabilization fund remains a Special Revenue Fund under the updated requirements of the Government Accounting Standards Board (GASB). A Special Revenue Fund requires a specifically identified resource, which cannot be a fund transfer.

###### Requirements

- Rebalance the fund by allocating a Contingency of \$200,000.

##### **Dedicated Resource Fund (299)**

###### Resources

- Beginning Balance and Other resources are trued up to match reimbursement received for SB1149 energy projects and the Grant high School field project.
- Medicaid billing revenues for DART and Regional medical Equipment are reduced \$750,000.
- Pre-K and K grants are increased \$250,000.
- \$165,000 budget for the sale of the Benson High School house is reduced because the house will not be completed and sold before June 30, 2011.



**Full Faith and Credit Debt Service Fund (320/321)**

Resources

- True up the FY 2010/11 debt service requirements of the Recovery Zone Bonds by recognizing the federal interest subsidy of \$224,000.

Requirements

- Appropriate \$224,000 debt service payment.

**School Modernization Fund (405)**

Resources

- Increase interest earnings by \$15,000

Requirements

- Remove the Transfer Out of \$1.2 million SB 1149 energy project funds from the General Fund recognizing the project costs were expended from fund 405, the School Modernization Fund.
- Increase appropriation in Support Services by \$70,000 to match actual and anticipated expenditures in that program area.
- Increases project costs (Facilities Acquisition and Construction) by a net of \$1.2 million recognizing the SB 1149 project costs were expended from fund 405.
- Reduce Debt Service and Transfers Out by a net of \$1.2 million recognizing the project costs were expended from fund 405, the School Modernization Fund.

**IT System Project Fund (407)**

Requirements

- Increase Support Services expenditures (IT project costs) by \$1.0 million. This recognizes the higher than anticipated expenditure rate tied to successful acceleration of projects.
- Reduce Contingency by \$1.0 million.

**V. COMMUNITY ENGAGEMENT**

There was no community engagement in developing this recommendation.

**VI. BOARD OPTIONS**

This action requests that the Board amend the FY 2010/11 budget.

The Board may choose not to amend the budget; however, the District is required under State statute, to limit spending within each program area to the amount of funds appropriated. Also under State statute, no fund is allowed to end the year in a negative position.

**VII. STAFF RECOMMENDATION**

Staff recommends the Board authorize the proposed changes to the FY 2010/11 budget as summarized above and in the attached tables, which are also included in the authorizing resolution.

**VIII. TIMELINE FOR IMPLEMENTATION/EVALUATION**

The timeline is immediate. This change would be effective for the current fiscal year.

**I have reviewed this staff report and concur with the recommendation to the Board.**



---

**Carole Smith**  
**Superintendent**  
**Portland Public Schools**

---

**June 16, 2011**

**Date**

**ATTACHMENTS**

- A. Fund Summaries

Fund 101 - General Fund	Adopted Budget	Amended Budget #1	Amended Budget #2	This Amendment	Amended Budget #3
Resources					
Beginning Fund Balance	24,430,606	28,330,606	28,022,202	-	28,022,202
Revenue from Taxes	229,753,199	232,893,866	232,893,866	-	232,893,866
Tuition	350,000	350,000	350,000	-	350,000
Earnings on Investment	700,000	700,000	700,000	-	700,000
Extra-curricular Activities	1,119,000	1,119,000	1,119,000	-	1,119,000
Other Local Sources	9,859,000	9,866,999	9,866,999	-	9,866,999
Intermediate Sources	7,446,629	7,446,629	7,446,629	-	7,446,629
State Sources	176,650,492	140,553,918	140,553,918	-	140,553,918
Federal Sources	5,261,500	14,369,000	14,369,000	-	14,369,000
Other Sources	100,000	1,336,901	27,086,901	(1,236,901)	25,850,000
<b>Total Resources</b>	<b>455,670,426</b>	<b>436,966,919</b>	<b>462,408,515</b>	<b>(1,236,901)</b>	<b>461,171,614</b>
Requirements					
Instruction	265,225,322	253,571,452	252,733,001	(505,343)	252,227,658
Support Services	174,199,520	171,701,961	173,864,693	(2,098,853)	171,765,840
Enterprise & Community Services	-	-	-	-	-
Facilities Acquisition & Construction	1,180,606	1,263,606	4,292,479	(1,778,870)	2,513,609
Debt Service & Transfers Out	7,857,978	9,929,900	10,204,024	(335,799)	9,868,225
Contingency	7,207,000	500,000	21,314,318	3,481,964	24,796,282
Ending Fund Balance	-	-	-	-	-
<b>Total Requirements</b>	<b>455,670,426</b>	<b>436,966,919</b>	<b>462,408,515</b>	<b>(1,236,901)</b>	<b>461,171,614</b>

Fund 201 - Student Body Activity Fund	Adopted Budget	Amended Budget #1	Amended Budget #2	This Amendment	Amended Budget #3
Resources					
Beginning Fund Balance	3,500,000	3,500,000	3,204,447	-	3,204,447
Extra-curricular Activities	7,800,000	7,800,000	7,800,000	495,553	8,295,553
<b>Total Resources</b>	<b>11,300,000</b>	<b>11,300,000</b>	<b>11,004,447</b>	<b>495,553</b>	<b>11,500,000</b>
Requirements					
Instruction	8,000,000	8,000,000	7,704,447	495,553	8,200,000
Ending Fund Balance	3,300,000	3,300,000	3,300,000	-	3,300,000
<b>Total Requirements</b>	<b>11,300,000</b>	<b>11,300,000</b>	<b>11,004,447</b>	<b>495,553</b>	<b>11,500,000</b>

Fund 205 - Grants Fund	Adopted Budget	Amended Budget #1	Amended Budget #2	This Amendment	Amended Budget #3
Resources					
Intermediate Sources	1,695,494	1,695,494	1,695,494	-	1,695,494
State Sources	29,126,648	29,126,648	29,126,648	-	29,126,648
Federal Sources	62,631,080	62,631,080	62,631,080	-	62,631,080
Other Sources	2,013,572	2,013,572	2,013,572	-	2,013,572
<b>Total Resources</b>	<b>95,466,794</b>	<b>95,466,794</b>	<b>95,466,794</b>	<b>-</b>	<b>95,466,794</b>
Requirements					
Instruction	59,465,278	59,465,278	59,465,278	-	59,465,278
Support Services	32,436,529	32,436,529	32,436,529	(2,500,000)	29,936,529
Enterprise & Community Services	3,032,222	3,032,222	3,032,222	2,500,000	5,532,222
Facilities Acquisition & Construction	532,765	532,765	532,765	-	532,765
<b>Total Requirements</b>	<b>95,466,794</b>	<b>95,466,794</b>	<b>95,466,794</b>	<b>-</b>	<b>95,466,794</b>

Fund 225 - PERS Rate Stabilization Fund	Adopted Budget	Amended Budget #1	Amended Budget #2	This Amendment	Amended Budget #3
Resources					
Beginning Fund Balance	16,800,000	16,800,000	16,800,000	-	16,800,000
Revenue from Taxes	-	-	-	200,000	200,000
<b>Total Resources</b>	<b>16,800,000</b>	<b>16,800,000</b>	<b>16,800,000</b>	<b>200,000</b>	<b>17,000,000</b>
Requirements					
Contingency	-	-	-	200,000	200,000
Ending Fund Balance	16,800,000	16,800,000	16,800,000	-	16,800,000
<b>Total Requirements</b>	<b>16,800,000</b>	<b>16,800,000</b>	<b>16,800,000</b>	<b>200,000</b>	<b>17,000,000</b>

Fund 299 - Dedicated Resource Fund	Adopted Budget	Amended Budget #1	Amended Budget #2	This Amendment	Amended Budget #3
Resources					
Beginning Fund Balance	3,226,190	3,226,190	3,226,190	(835,000)	2,391,190
Local Gov't Not Districts	88,641	88,641	88,641	-	88,641
Tuition	4,713,000	4,713,000	4,713,000	250,000	4,963,000
Extra-curricular Activities	231,922	231,922	231,922	-	231,922
Other Local Sources	7,643,441	7,643,441	7,643,441	1,500,000	9,143,441
State Sources	1,000,500	1,000,500	1,000,500	(750,000)	250,500
Federal Sources	1,603	1,603	1,603	-	1,603
Other Sources	165,000	165,000	165,000	(165,000)	-
<b>Total Resources</b>	<b>17,070,297</b>	<b>17,070,297</b>	<b>17,070,297</b>	<b>-</b>	<b>17,070,297</b>
Requirements					
Instruction	11,196,621	11,196,621	11,196,621	(1,500,000)	9,696,621
Support Services	1,846,904	1,846,904	1,846,904	-	1,846,904
Enterprise & Community Services	41,085	41,085	41,085	-	41,085
Facilities Acquisition & Construction	759,497	759,497	759,497	1,500,000	2,259,497
Contingency	3,226,190	3,226,190	3,226,190	-	3,226,190
<b>Total Requirements</b>	<b>17,070,297</b>	<b>17,070,297</b>	<b>17,070,297</b>	<b>-</b>	<b>17,070,297</b>

Fund 320 - Full Faith & Credit Debt Service Funds	Adopted Budget	Amended Budget #1	Amended Budget #2	This Amendment	Amended Budget #3
Resources					
Federal Sources				224,283	224,283
Other Sources	-	-	274,124	-	274,124
<b>Total Resources</b>	<b>-</b>	<b>-</b>	<b>274,124</b>	<b>224,283</b>	<b>498,407</b>
Requirements					
Debt Service & Transfers Out	-	-	274,124	224,283	498,407

Fund 405 - School Modernization Fund	Adopted Budget	Amended Budget #1	Amended Budget #2	This Amendment	Amended Budget #3
Resources					
Beginning Fund Balance	7,874,056	9,123,433	11,214,292	-	11,214,292
Earnings on Investment	-	-	20,000	15,000	35,000
Long Term Debt Financing Sources	-	-	25,750,000	-	25,750,000
<b>Total Resources</b>	<b>7,874,056</b>	<b>9,123,433</b>	<b>36,984,292</b>	<b>15,000</b>	<b>36,999,292</b>
Requirements					
Support Services	-	-	-	70,000	70,000
Facilities Acquisition & Construction	7,874,056	7,886,532	9,897,391	1,181,901	11,079,292
Debt Service & Transfers Out	-	1,236,901	26,986,901	(1,236,901)	25,750,000
Contingency	-	-	100,000	-	100,000
<b>Total Requirements</b>	<b>7,874,056</b>	<b>9,123,433</b>	<b>36,984,292</b>	<b>15,000</b>	<b>36,999,292</b>

<b>Fund 407 - IT System Project Fund</b>	<b>Adopted Budget</b>	<b>Amended Budget #1</b>	<b>Amended Budget #2</b>	<b>This Amendment</b>	<b>Amended Budget #3</b>
Resources					
Beginning Fund Balance	7,755,696	7,755,696	8,468,415	-	8,468,415
Earnings on Investment	30,000	30,000	30,000	-	30,000
<b>Total Resources</b>	<b>7,785,696</b>	<b>7,785,696</b>	<b>8,498,415</b>	<b>-</b>	<b>8,498,415</b>
Requirements					
Support Services	4,937,037	4,937,037	5,068,292	1,000,000	6,068,292
Contingency	2,848,659	2,848,659	3,430,123	(1,000,000)	2,430,123
<b>Total Requirements</b>	<b>7,785,696</b>	<b>7,785,696</b>	<b>8,498,415</b>	<b>-</b>	<b>8,498,415</b>



# PORTLAND PUBLIC SCHOOLS

P.O. Box 3107 / Portland, Oregon 97208-3107  
Telephone: (503) 916-3741 • FAX: (503) 916-2724

## **SUPERINTENDENT'S RECOMMENDATION TO THE BOARD AND STAFF REPORT**

**TITLE:** *ESTABLISH TWO NEW FUNDS, PERS UAL DEBT SERVICE AND SELP DEBT SERVICE*

**Board Committee Meeting Date:** June 21, 2011      **District Priority:** Build shared leadership and accountability for results

**Board Meeting Date:** June 27, 2011      **Executive Committee Lead:** Neil Sullivan

**Department:** Finance/Accounting      **Staff Lead:** Mark Murray/Carol Ann Kirby

### **I. ISSUE STATEMENT**

The District's recording and reporting of long-term debt service has been inconsistent.

The recommended resolution would effectively house all of the District's long-term debt in respective debt service funds, thus allowing future Comprehensive Annual Financial Reports to relate the debt service schedules with the amounts shown in the debt service funds. This action will also increase consistency of budgeting.

### **II. BACKGROUND**

- On September 17, 2002, by way of Resolution No. 2227 the Board authorized Portland Public School participation in the issuance of POBs. PPS portion of the POB was authorized at \$210,103,857.
- On January 13, 2003, by way of Resolution No. 2352 the Board authorized participation in the issuance POBs. PPS portion of the POB was authorized at \$281,170,040.
- In fiscal years 1994 and 1995 PPS borrowed \$8.335 million under the Small Scale Energy Loan Program (SELP) from the Oregon Department of Energy. The funds were used for building energy retrofitting and other energy conservation measures.
- Under the new GASB 54 requirements, debt service payments for the SELP loans in the General Fund would require that the Fund Balance for the General Fund be restricted for the amount relating to the ensuing year. Recording the SELP loans in a debt service fund would not require a fund balance restriction.

### **III. RELATED POLICIES/BEST PRACTICES**

In the interest of consistency the District would like to reflect all long-term debt payments in debt service funds. This will allow the Comprehensive Annual Financial Report (CAFR) reporting for debt to relate among the debt service governmental funds, the debt service footnotes, and government-wide reporting for interest.

Improved transparency of the financial statements will be enhanced if the PPS portion of the PERS Unfunded Actuarial Liability Bonds debt obligation and the SELP loan are tracked in separate debt service funds.

**IV. FISCAL IMPACT**

There is no fiscal impact, other than the General Fund would avoid restriction of a portion of its unassigned fund balance to cover the SELP debt service.

There is a budgetary impact. Establishing this fund will increase the gross budget of the District.

**V. COMMUNITY ENGAGEMENT**

There was no community engagement in developing this recommendation.

**VI. BOARD OPTIONS**

The Board could choose to operate without the additional funds. The risk is continued inconsistency in managing and reporting long term debt service.

**VII. STAFF RECOMMENDATION**

Staff recommends establishing the two new funds to improve District financial management and transparency in reporting.

**VIII. TIMELINE FOR IMPLEMENTATION/EVALUATION**

This change would be effective for the 2011/12 fiscal year. The new funds will be included in the FY 2011/12 budget to be voted on by the Board June 27, 2011.

**I have reviewed this staff report and concur with the recommendation to the Board.**



---

**Carole Smith  
Superintendent  
Portland Public Schools**

---

**June 16, 2011  
Date**



# PORTLAND PUBLIC SCHOOLS

P.O. Box 3107 / Portland, Oregon 97208-3107

Telephone: (503) 916-3741 • FAX: (503) 916-2724

## **SUPERINTENDENT'S RECOMMENDATION TO THE BOARD AND STAFF REPORT**

**TITLE:** *IMPOSE TAXES AND ADOPT THE FY 2011/12 BUDGET*

**Board Committee Meeting Date:** June 21, 2011  
accountability for results

**District Priority:** Build shared leadership and

**Board Meeting Date:** June 27, 2011

**Executive Committee Lead:** Neil Sullivan

**Department:** Finance/Accounting

**Staff Lead:** Mark Murray

### **I. ISSUE STATEMENT**

Complete the actions necessary to legally impose property taxes for fiscal year 2011//12 and adopt the fiscal year 2011/12 budget.

### **II. BACKGROUND**

Under ORS 294, Local Budget law, jurisdictions are required to adopt the future fiscal year budget by June 30 of the current fiscal year. These actions will also impose the appropriate property taxes.

- On May 23, 2011, the Budget Committee, by way of resolution No. 4456 approved the 2011/12 budget and imposed taxes.
- Upon approval the budget is then submitted to the Tax Supervising Conservation Commission (TSCC) for review and approval. The TSCC is required to hold a public hearing on the Approved Budget. This hearing (Hearing No. 1) is scheduled for 4:30 PM on June 27, 2011.
- Local Budget law limits the amount a fund may be increased between the time the budget is approved by the Budget Committee and the time the budget is adopted by the governing body to less than 10%, without an additional public hearing.
- Staff is recommending establishing a new fund, the SELP Debt Service Fund (Small Scale Energy Loan Program). Establishing this new fund is an increase of greater than 10%.
- To comply with Local Budget Law the TSCC will hold another hearing (Hearing No.2), immediately following the first hearing.

Other changes to the Approved Budget are recommended by staff. These changes, summarized below, are considered technical. That is, there are no programmatic changes.

### **III. RELATED POLICIES/BEST PRACTICES**

An adopted budget is necessary to ensure effective financial management of the District's programs and priorities and to remain in compliance with ORS 294, Local Budget Law.

Specifically, the District is required to ensure sufficient legal appropriation by program area as defined in the Program Budgeting and Accounting Manual for School Districts and Education Service Districts in Oregon. The District may not expend more than is allocated for a specific program area.

#### IV. FISCAL IMPACT

##### **General Fund (101)**

- The recommended changes result in a net increase to the General Fund of \$3.2 million.
  - Resources
    - Increase Beginning Balance by \$3.1 million, capturing the funds for projects that will not be completed in the previous fiscal year.
  - Requirements
    - Increase expenditures in Facilities by \$2.9 million to fund the projects that will not be completed in FY 2010/11. Examples include the carryover for activity tied to the closure of Marshall High School (\$1.6 million) and the Great Fields projects (\$372,000). Various other FAM projects total \$1.0 million.

##### **Grants Fund (205)**

- Reallocate various grants based upon the most recent information from the grantors. Affected grants include Title IA (-\$745,000), Morrison Division of Unaccompanied Children Services Program (DUCS) (-\$531,000), Title IIA (-\$563,000), Perkins (-\$105,000) and Portland Schools Foundation (+\$245,000). These changes result in a net reduction of \$1.6 million.

There will be additional carryover activity included in the first budget amendment scheduled for late fall 2011. Adjustments are not included here due to uncertainty as to what will actually be accomplished and billed prior to June 30, 2011.

#### V. COMMUNITY ENGAGEMENT

The community was engaged throughout the budget development process. Specific to this phase of budget development, the TSCC will hold two separate public hearings, with the Board in attendance. The hearings will take place June 27, 2011 prior to the regular Board meeting.

The Board will entertain public input on the budget at the regular Board meeting of June 27, 2011.

#### VI. BOARD OPTIONS

No other options are available to the Board. The District must have a legally adopted FY 2011/12 budget by June 30, 2011.

#### VII. STAFF RECOMMENDATION

Staff recommends the Board authorize the recommended changes to the FY 2011/12 Approved Budget as summarized above.

#### VIII. TIMELINE FOR IMPLEMENTATION/EVALUATION

The timeline is immediate. These recommended changes will be incorporated into the FY 2011/12 budget which takes effect July 1, 2011.

**I have reviewed this staff report and concur with the recommendation to the Board.**



---

**Carole Smith**  
**Superintendent**  
**Portland Public Schools**

---

**June 16, 2011**

**Date**

#### **ATTACHMENTS**

- A. Summary Table of Adopted Budget



Fund	Instruction	Support Services	Enterprise & Community Services	Facilities Acquisition & Construction	Debt Service & Transfers Out	Contingency	Ending Fund Balance	Fund Total
Fund 101	254,456,703	177,021,524	550,000	3,109,593	7,604,088	24,559,259	-	467,301,167
Fund 201	8,150,000	-	-	-	-	-	3,157,000	11,307,000
Fund 202	-	-	17,025,398	-	-	-	2,530,374	19,555,772
Fund 205	44,355,480	26,867,345	3,305,755	427,578	-	-	-	74,956,158
Fund 225	-	-	-	-	1,900,000	-	15,300,000	17,200,000
Fund 299	12,053,975	1,845,584	50,472	4,313,072	-	-	-	18,263,103
Fund 304	-	-	-	-	1,667,254	-	-	1,667,254
Fund 306	-	-	-	-	3,976,828	-	-	3,976,828
Fund 307	-	-	-	-	613,630	-	-	613,630
Fund 308	-	-	-	-	34,673,326	-	-	34,673,326
Fund 309	-	-	-	-	376,514	-	-	376,514
Fund 320	-	-	-	-	1,354,693	-	-	1,354,693
Fund 404	-	-	-	3,299,625	677,347	250,000	-	4,226,972
Fund 405	-	-	-	7,067,703	-	500,000	-	7,567,703
Fund 407	-	2,104,891	-	-	-	1,325,232	-	3,430,123
Fund 420	-	12,670	-	4,510,330	-	500,000	-	5,023,000
Fund 480	-	-	-	3,000,000	-	-	-	3,000,000
Fund 601	-	2,922,707	-	-	3,270,000	500,000	-	6,692,707
<b>Total</b>	<b>\$ 319,016,158</b>	<b>\$ 210,774,721</b>	<b>\$ 20,931,625</b>	<b>\$ 25,727,901</b>	<b>\$ 56,113,680</b>	<b>\$ 27,634,491</b>	<b>\$ 20,987,374</b>	<b>\$ 681,185,950</b>

# Report

## Expenditure Contracts Exceeding \$25,000 and through \$150,000

Portland Public Schools ("District") Public Contracting Rules PPS-45-0200(6) (Authority to Approve District Contracts; Delegation of Authority to Superintendent) requires the Superintendent to submit to the Board of Education ("Board") at the "Board's monthly business meeting a list of all contracts in amounts over \$25,000 and up to \$150,000 approved by the Superintendent or designees within the preceding 30-day period under the Superintendent's delegated authority." Contracts meeting this criterion are listed below.

### NEW CONTRACTS

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
MPD Systems, Inc.	06/06/11 through 10/31/11	Personal / Professional Services PS 58364	Tubman YWA: Design and installation of fire alarm system.	\$89,575	T. Magliano Fund 191 Dept. 5597 Project F0200
Portland Football Officials Association	07/01/11 through 06/30/12	Personal / Professional Services PS 58384	District-wide: Football officials for PIL games for SY 2011-12.	\$32,000	G. Ross Fund 101 Dept. 5423
Portland Basketball Officials Association	07/01/11 through 06/30/12	Personal / Professional Services PS 58385	District-wide: Basketball officials for PIL games for SY 2011-12.	\$72,000	G. Ross Fund 101 Dept. 5423
Portland Volleyball Officials Association	07/01/11 through 06/30/12	Personal / Professional Services PS 58389	District-wide: Volleyball officials for PIL matches for SY 2011-12.	\$32,000	G. Ross Fund 101 Dept. 5423
Hansen Technology Group	06/15/11 through 07/31/11	Construction C 58353	Columbia Regional Program: Construction services to furnish and install audio-visual equipment at site.	\$78,500	T. Magliano Fund 205 Depts. 5409 & 5411 Grant G1024
Strategic Partnership Schools Group	06/01/11 through 05/01/12	Personal / Professional Services PS 58359	District-wide: School Emergency Response Team training for staff and community members.	\$30,000	P. Wolfe Fund 205 Dept. 5530 Grant G1111
Beyond Borders Ltd. dba Minds Abroad	07/01/11 through 07/31/11	Personal / Professional Services PS 58295	District-wide: One-month study and volunteer abroad program in Yunnan, China for 22 students; funds provided through grant of U.S. DOS.	\$41,055	M. Arganbright Fund 205 Dept. 5442 Grant G1118
Oregon Campus Compact Summer	06/01/11 through 07/30/11	Personal / Professional Services PS 58372	District-wide: Placement of 10 AmeriCorps/VISTA members to plan, and provide classroom support services for, Summer Academy.	\$27,250	S. Kosmala Fund 205 Dept. 5490 Grant G0987
Touchmath	06/17/11	Purchase Order PO 102464	District-wide: Purchase of 43 kindergarten, first grade, and upper grades math kits for communication behavior classrooms.	\$42,948	M. Arganbright Fund 205 Dept. 5414 Grant G1025

Riddell All American	06/10/11	Purchase Order PO 102329	District-wide: Purchase of 100 football helmets and 40 sets of shoulder pads.	\$26,080	G. Ross Fund 101 Dept. 5423
Apple Computers Inc.	06/13/11	Purchase Order PO 102347	District-wide: Purchase of 21 MacBook Pros	\$28,344	J. Jackson Fund 205 Dept. 5414 Grant G1025
Right Systems Inc.	06/13/11	Purchase Order PO 102384	District-wide: Purchase of 2 HP ProLiant servers, one HP Server Blade, and associated three-year Care Packs.	\$34,451	N. Jwayad Fund 101 Dept. 5581

### AMENDMENTS TO EXISTING CONTRACTS

Contractor	Contract Term	Contract Type	Description of Services	Amendment Amount, Contract Total	Responsible Administrator, Funding Source
DePaul Treatment Centers, Inc.	04/01/11 through 06/30/11	PS 57661 Amendment 1	District-wide: Additional funds for alternative education services.	\$64,330 \$316,330	S. Higgins Fund 101 Dept. 5485
Youth Progress Association	04/01/11 through 06/30/11	PS 57144 Amendment 1	District-wide: Additional funds for alternative education services.	\$32,250 \$252,750	S. Higgins Fund 101 Dept. 5485
Coastwide Laboratories	07/01/11 through 06/30/12	PS 55783 Amendment 5 Year 4 of 5 of Contract	District-wide: One-year extension of contract for planned maintenance of custodial equipment; RFP 07-1096	\$60,000 \$260,740	T. Adams Fund 101 Dept. 5593
Albina Head Start	09/08/10 through 06/30/11	PS 55185 Amendment 4 Year 4 of 4 of Contract	Marshall HS and Roosevelt Campus: One-year retroactive extension of contract for childcare services for teen parent students.	\$132,000 \$528,000	S. Higgins Fund 101 Dept. 5485
Pacific Research & Evaluation	07/01/11 through 06/30/12	PS 56558 Amendment 1	District-wide: One-year extension of contract for writing or evaluation services; RFP 09-1186.	\$40,000 \$160,000	S. Higgins Fund 101 Dept. 5485
Robin Mack	04/15/11 through 09/15/11	PS 57974 Amendment 1	District-wide: One-year extension of contract for development of the wrap around support services model for the Tier I Academic Priority Zone Schools.	\$35,000 \$70,000	L. Poe Fund 205 Dept. 5406 Grant G1121
Beecher Carlson Insurance Agency, LLC	07/01/11 through 06/30/12	PS 53593 Amendment 9	District-wide: One-year extension of contract for insurance brokerage and risk management consultation services.	\$98,000 \$668,353	N. Sullivan Fund 101 Dept. 5540

### INTERGOVERNMENTAL AGREEMENTS ("IGAs")

No IGAs

N. Sullivan

BOARD OF EDUCATION  
SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON

INDEX TO THE AGENDA  
REGULAR BUSINESS MEETING

June 27, 2011

Board Action Number	Page
---------------------------	------

Personnel

4466	Appointment of Temporary Teachers and Notice of Nonrenewal.....	3
4467	Resolution to Deny Renewal of Probationary Employment Contract for Employee #005689 .....	4

Purchases, Bids, Contracts

4468	Revenue Contracts that Exceed \$25,000 Limit for Delegation of Authority.....	6
4469	Personal/Professional Services, Goods, and Services Expenditure Contracts Exceeding \$150,000 for Delegation of Authority .....	7

Other Matters Requiring Board Action

4470	Reassignment of Rigler 7 <sup>th</sup> and 8 <sup>th</sup> Graders to Vernon Beginning in September 2011 .....	11
4471	Redefine Fund 225 – PERS Rate Stabilization Reserve Fund to meet the Requirements of Governmental Accounting Standards Board (GASB) Statement No. 54 .....	12
4472	Amendment No. 3 to the 2010-2011 Budget for School District No. 1J, Multnomah County, Oregon.....	15
4473	Establishing Two New Funds: Fund 308, PERS UAL Debt Service Fund and Fund 309, SELP Debt Service Fund.....	19
4474	Impose Taxes and Adoption of the FY 2011/12 Budget for School District No. 1J, Multnomah County, Oregon.....	21

Personnel

The Superintendent RECOMMENDS adoption of the following items:

Numbers 4466 and 4467

**RESOLUTION No. 4466**

Appointment of Temporary Teachers and Notice of Nonrenewal

**RESOLUTION**

The Board of Education accepts the recommendation to designate the following persons as temporary teachers for the term listed below. These temporary contracts will not be renewed beyond their respective termination dates because the assignments are temporary and District does not require the teachers' services beyond completion of their respective temporary assignments.

<b>Full Name</b>	<b>Location</b>	<b>Job Title</b>	<b>Start Date</b>	<b>End Date</b>
Addis,Rose RM	Kelly K-5	Teacher-ES Technology	2/28/2011	6/15/2011
Brantley,Michael C	Holladay Center	Teacher-SPED Gr K-3 SE-Intsv	4/4/2011	8/5/2011
Copacino,Allyson L	Beverly Cleary K-8	Teacher-K8 Gr 4-5	2/14/2011	5/8/2011
Davis, Gregory J	Sellwood MS	Teacher-SPED Social Emotional	3/28/2011	6/17/2011
Finley,Aaron P	Lee K-8	Teacher-K8 Gr 4	3/14/2011	6/17/2011
Finnegan,Moiria M	Itinerant @ BESC	Speech Language Pathologist	4/1/2011	6/17/2011
Gaynor,Sarah J	Richmond PK-5	Teacher-ES Gr PK	3/28/2011	6/4/2011
Gulley,Andrea C	George MS	Teacher-MS Gr 7 Math	4/13/2011	6/17/2011
Keyes,Breanne J	Kelly K-5	Coordinator-ES Assessment	3/2/2011	6/15/2011
McLaughlin,Thomas	Woodlawn PK-8	Media Specialist-K8	4/13/2011	6/23/2011
McPherrin,Trisha L	Madison HS	Teacher-HS SS/BSI/ESL History	3/16/2011	6/17/2011
Mermelstein,Catherine	Vestal K-8	Teacher-K8 Gr K	4/4/2011	6/17/2011
Rasmussen,Carmen	Lee K-8	Teacher-K8 Gr 6 Math/Science	4/12/2011	6/17/2011
Reynolds,Joan L	Rosemont	Teacher-DART	4/6/2011	6/17/2011
Tharp,Jonathan I	Ockley Green K-8	Teacher-K8 Gr 7-8 Math/Science	3/11/2011	6/17/2011
WilderTack,Elenoir R	Young Women's Academy 6-12	Teacher-MS/HS Communications	3/14/2011	6/15/2011
Wilson,Lindsay Lee	Lane MS	Teacher-MS Gr 6 Math/Gr 7-8 LA	3/9/2011	6/17/2011
Wright,Julie R	Laurelhurst K-8	Teacher-K8 Gr 7-8 Algebra	3/29/2011	6/17/2011

H. Harris

**RESOLUTION No. 4467**

Resolution to Deny Renewal of Probationary Employment Contract for  
Employee #005689

**RECITALS**

On Friday, May 27, 2011, members of the Board of Education of Portland Public Schools met to hear an appeal by Employee #005689. The hearing was held at the employee's request, in order to ask the Board to reverse its previous decision not to renew her employment with Portland Public Schools.

Board members Knowles, Wynde, Sargent, and Adkins were present for the hearing, which was chaired by Director Knowles.

At the hearing Portland Public Schools was represented by Mr. Jeff Fish, Human Resources Legal Counsel; and Employee #005689 was represented by Ms. Dee Simmons, OEA consultant to the Portland Association of Teachers.

**RESOLUTION**

After carefully considering all of the arguments made both by school district counsel and district staff; and by Employee #005689, her union representative, and witnesses, the Board of Education denies Employee #005689's appeal of the decision not to renew her probationary employment contract with Portland Public Schools.

*J. Patterson*

Purchases, Bids, Contracts

The Superintendent RECOMMENDS adoption of the following items:

Numbers 4468 and 4469



**RESOLUTION No. 4468**

Revenue Contracts that Exceed \$25,000 Limit for Delegation of Authority

**RECITAL**

Portland Public Schools (“District”) Public Contracting Rules PPS-45-0200 (“Authority to Approve District Contracts; Delegation of Authority to Superintendent”) requires the Board of Education (“Board”) to enter into and approve all contracts, except as otherwise expressly authorized. Contracts for \$25,000 or more per contractor are listed below.

**RESOLUTION**

The Superintendent recommends that the Board approve these contracts. The Board accepts this recommendation and by this resolution authorizes the Deputy Clerk to enter into agreements in a form approved by General Counsel for the District.

**NEW CONTRACTS**

No New Contracts

**AMENDMENTS TO EXISTING CONTRACTS**

No Amendments to Existing Contracts

**INTERGOVERNMENTAL AGREEMENTS / REVENUE (“IGA/Rs”)**

<b>Contractor</b>	<b>Contract Term</b>	<b>Contract Type</b>	<b>Description of Services</b>	<b>Contract Amount</b>	<b>Responsible Administrator, Funding Source</b>
City of Portland	07/01/11 through 06/30/12	IGA/R 58398	City providing funding for lead paint stabilization projects in Early Childhood Education Program classrooms.	\$50,000	T. Magliano Fund 205 Dept. 9999 Grant G0999
Clackamas Education Service District	07/01/11 through 06/30/12	IGA/R 58390	Columbia Regional Program will provide pre-school services for regionally eligible deaf/hard of hearing students.	\$45,000	C. Gilliam Fund 299 Dept. 9999 Grant S0163

**LIMITED SCOPE REAL PROPERTY AGREEMENTS**

No Limited Scope Real Property Agreements

*N. Sullivan*

**RESOLUTION No. 4469**

Personal / Professional Services, Goods, and Services Expenditure Contracts  
Exceeding \$150,000 for Delegation of Authority

**RECITAL**

Portland Public Schools (“District”) Public Contracting Rules PPS-45-0200 (“Authority to Approve District Contracts; Delegation of Authority to Superintendent”) requires the Board of Education (“Board”) enter into contracts and approve payment for products, materials, supplies, capital outlay, equipment, and services whenever the total amount exceeds \$150,000 per contract, excepting settlement or real property agreements. Contracts meeting this criterion are listed below.

**RESOLUTION**

The Superintendent recommends that the Board approve these contracts. The Board accepts this recommendation and by this resolution authorizes the Deputy Clerk to enter into agreements in a form approved by General Counsel for the District.

**NEW CONTRACTS**

<b>Contractor</b>	<b>Contract Term</b>	<b>Contract Type</b>	<b>Description of Services</b>	<b>Contract Amount</b>	<b>Responsible Administrator, Funding Source</b>
Youth Employment Institute	7/1/2011 through 6/30/2012	Personal Services Contract PS 58409	District-wide: Alternative education services; RFP 06-10-1407.	\$472,500	S. Higgins Fund 101 Dept. 5485
Mt. Scott Park Center for Learning, Inc.	7/1/2011 through 6/30/2012	Personal Services Contract PS 58410	District-wide: Alternative education services; RFP 06-10-1407.	\$819,000	S. Higgins Fund 101 Dept. 5485
Outside In	7/1/2011 through 6/30/2012	Personal Services Contract PS 58411	District-wide: Alternative education services; RFP 06-10-1407.	\$94,500	S. Higgins Fund 101 Dept. 5485
Open Meadow Alternative Schools	7/1/2011 through 6/30/2012	Personal Services Contract PS 58412	District-wide: Alternative education services; RFP 06-10-1407.	\$1,234,800	S. Higgins Fund 101 Dept. 5485
Portland Youth Builders	7/1/2011 through 6/30/2012	Personal Services Contract PS 58414	District-wide: Alternative education services; RFP 06-10-1407.	\$252,000	S. Higgins Fund 101 Dept. 5485
New Avenues for Youth	7/1/2011 through 6/30/2012	Personal Services Contract PS 58415	District-wide: Alternative education services; RFP 06-10-1407.	\$151,200	S. Higgins Fund 101 Dept. 5485
Portland Community College	7/1/2011 through 6/30/2012	Personal Services Contract PS 58432	District-wide: Alternative education services; RFP 06-10-1407.	\$2,331,000	S. Higgins Fund 101 Dept. 5485
Youth Progress Association	7/1/2011 through 6/30/2012	Personal Services Contract PS 58433	District-wide: Alternative education services; RFP 06-10-1407.	\$220,500	S. Higgins Fund 101 Dept. 5485
Pathfinders of Oregon	7/1/2011 through 6/30/2012	Personal Services Contract PS 58434	District-wide: Alternative education services; RFP 06-10-1407.	\$201,600	S. Higgins Fund 101 Dept. 5485

<b>Contractor</b>	<b>Contract Term</b>	<b>Contract Type</b>	<b>Description of Services</b>	<b>Contract Amount</b>	<b>Responsible Administrator, Funding Source</b>
Rosemary Anderson High School	7/1/2011 through 6/30/2012	Personal Services Contract PS 58435	District-wide: Alternative education services; RFP 06-10-1407.	\$1,134,000	S. Higgins Fund 101 Dept. 5485
<b>Contractor</b>	<b>Contract Term</b>	<b>Contract Type</b>	<b>Description of Services</b>	<b>Contract Amount</b>	<b>Responsible Administrator, Funding Source</b>
DePaul Treatment Centers	7/1/2011 through 6/30/2012	Personal Services Contract PS 58xxx	District-wide: Alternative education services; RFP 06-10-1407.	\$252,000	S. Higgins Fund 101 Dept. 5485
Native American Youth and Family Center	7/1/2011 through 6/30/2012	Personal Services Contract PS 58xxx	District-wide: Alternative education services; RFP 06-10-1407.	\$693,000	S. Higgins Fund 101 Dept. 5485
SE Works, Inc.	7/1/2011 through 6/30/2012	Personal Services Contract PS 58xxx	District-wide: Alternative education services; RFP 06-10-1407.	\$113,400	S. Higgins Fund 101 Dept. 5485
Emerick Construction Co.	06/28/11 through 12/31/11	Construction C 58428	Franklin HS: Construction services to reconfigure space to accommodate incoming Marshall Campus students.	\$677,200	T. Magliano Fund 191 Dept 3215 Project F0002
TBD – based on lowest responsible bidder; bids due 06/30/11	07/01/11 through 12/31/11	Construction C 58xxx	Benson HS: Construction services to upgrade the fire alarm system.	Not-to-exceed \$1,000,000	T. Magliano Fund 191 Dept 5597 Project F0220
TBD – based on lowest responsible bidder; bids due 06/30/11	06/30/11 through 12/31/11	Construction C 58xxx	District-wide, Package 1: Construction services for roof repairs at up to eight sites; part of 2011 Roof Repairs Project.	Not-to-exceed \$133,000	T. Magliano Fund 191 Dept 5597 Project F0222
TBD – based on lowest responsible bidder; bids due 06/30/11	06/30/11 through 12/31/11	Construction C 58xxx	District-wide, Package 2: Construction services for roof repairs at up to nine sites; part of 2011 Roof Repairs Project.	Not-to-exceed \$130,000	T. Magliano Fund 191 Dept 5597 Project F0222
TBD – based on lowest responsible bidder; bids due 06/30/11	06/30/11 through 12/31/11	Construction C 58xxx	District-wide, Package 3: Construction services for roof repairs at up to eight sites; part of 2011 Roof Repairs Project.	Not-to-exceed \$112,000	T. Magliano Fund 191 Dept 5597 Project F0222
TBD – based on lowest responsible bidder; bids due 06/30/11	06/30/11 through 12/31/11	Construction C 58xxx	District-wide, Package 4: Construction services for roof repairs at up to nine sites; part of 2011 Roof Repairs Project.	Not-to-exceed \$145,000	T. Magliano Fund 191 Dept 5597 Project F0222
TBD – based on lowest responsible bidder; bids due 06/30/11	07/01/11 through 12/31/11	Construction C 58xxx	Roosevelt Campus: Construction services for track and athletic field complex; base work funded by the Great Fields Project and alternate work funded by donations and community partnerships.	Not-to-exceed \$686,000	T. Magliano Fund 191 Dept 5597 Project F0728

**AMENDMENTS TO EXISTING CONTRACTS**

No Amendments to Existing Contracts

**INTERGOVERNMENTAL AGREEMENTS (“IGAS”)**

<b>Contractor</b>	<b>Contract Term</b>	<b>Contract Type</b>	<b>Description of Services</b>	<b>Contract Amount</b>	<b>Responsible Administrator, Funding Source</b>
Multnomah County	07/01/11 through 06/30/12 Year 4 of Contract	IGA 56108 Amendment 4	District-wide: One-year extension of contract for maintenance and repair of District vehicles and equipment, and continued use of County fleet vehicles.	\$600,000 \$2,260,000	T. Magliano Fund 191 Dept 5592

*N. Sullivan*

Other Matters Requiring Board Action

The Superintendent RECOMMENDS adoption of the following items:

Numbers 4470 through 4474

## RESOLUTION No. 4470

### Reassignment of Rigler 7<sup>th</sup> and 8<sup>th</sup> Graders to Vernon Beginning in September 2011

#### RECITALS

- A. There is a severe over-crowding issue at Rigler K-8 Elementary school where there are now 4 sections of Kindergarten, almost 600 students, a growing neighborhood Spanish Immersion program, building capacity at 121% and projected growth in the neighborhood population.
- B. Due to the narrow defeat of the Capital Bond on May 18, 2011, there is no immediate plan for a new building for the Rigler K-8 community. The school will be short two classrooms and common areas such as the cafeteria, auditorium and bathrooms are too crowded to maintain an effective educational program.
- C. Staff has determined after monitoring the number of incoming Kindergartners, and examining a number of facility options, that action must be taken for Fall of 2011 to relieve some over-crowding in the Rigler building.
- D. As a temporary measure, staff recommends that the Board reassign Rigler's current 6<sup>th</sup> and 7<sup>th</sup> grades to Vernon PK-8. Current Rigler 6<sup>th</sup> graders will attend Vernon for 7<sup>th</sup> and 8<sup>th</sup> grade, and current Rigler 7<sup>th</sup> grade students will attend Vernon for 8<sup>th</sup> grade.
- E. Vernon and Rigler schools both feed into Madison High School.
- F. With the inclusion of the Rigler students, there will be approximately 200 students at Vernon in grades 6-8 which will allow for a more robust education program. Vernon is also an International Baccalaureate Middle Years Program candidate school which will allow for additional opportunities for the Rigler students.
- G. Staff recognizes that this recommendation's timing is challenging for families this late after the school year. Staff is committed to ensuring a smooth transition for students and families and is currently working with each family individually to address transportation and childcare issues that may arise because of the move.
- H. The Board Committee on Student Assignment, Program Initiation and Reconfigurations and staff have begun discussions around a boundary and reconfiguration process for a number of areas in the District, including Rigler, which will begin in the Fall of 2011.
- I. The Ad Hoc Committee on Student Assignment, Program Initiation and Reconfigurations reviewed this resolution on June 16, 2011, and unanimously recommended its approval to the Board.

#### RESOLUTION

1. The Board of Education for the Portland Public Schools accepts the recommendation of Superintendent Smith to reassign the current Rigler 6<sup>th</sup> and 7<sup>th</sup> grade students to Vernon through 8<sup>th</sup> grade.
2. The Board requests that the Superintendent or staff brief Board members on the transition and the supports that are provided to the reassigned students.
3. The Board requests that the staff continue to develop a community process for boundary and reconfiguration changes that will include a proposal for managing enrollment at Rigler K-8.

S. Allan

## RESOLUTION No. 4471

### Redefine Fund 225 - PERS Rate Stabilization Reserve Fund to meet the requirements of Governmental Accounting Standards Board (GASB) Statement No. 54

#### RECITALS

- A. On June 16, 2003, by way of Resolution No. 2679, the Board created the PERS Rate Stabilization Reserve Fund under the then-existing Local Budget Law and Government Accounting Standards Board (GASB) requirements.
- B. The fund purposes have been to account for the reserve needed to minimize large fluctuations in the PERS rate assessed against PPS salaries and wages, and to repay the PERS Unfunded Actuarial Liability (UAL) borrowing relative to the District's participation on the Oregon School Boards Association Pension Obligation Bond Programs of October 31, 2002 and April 30, 2003.
- C. Initial fund resources were budgeted transfers from the General Fund. Expenditures, if needed, were budgeted as fund transfers back to the affected fund. Requirements in excess of needed expenditures have been budgeted as Unappropriated Fund Balance.
- D. GASB Statement 54 compliance will be required for the District financial reporting for its fiscal year end June 30, 2011. In response, the Board has adopted newly enacted fund type definitions and fund balance classifications that are specified in Governmental Accounting Standards Board Statement 54.
- E. Under the new requirements of GASB Statement 54, special revenue funds are to be used only for specific external revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.
- F. Under GASB Statement 54, a Committed fund balance, such as the ending fund balance in the PERS Rate Stabilization Fund, now relates to constraints imposed by the governing body upon itself through formal action of the Board, affecting both resources and requirements.
- G. Under GASB Statement 54, a Committed fund balance requires the District to identify specific, dedicated revenue source(s), of which fund transfers do not qualify. The resources must be identified as the primary resource, such as property taxes.
- H. Consultation with Government Finance Officers Association (GFOA), District external auditors and the Oregon Department of Education (ODE), has determined that dedication of an annual percentage of dollar amount of general property taxes for operations qualifies as a special revenue source necessary to ensure that the fund balance can be defined as Committed.
- I. The Board will dedicate 0.11% of Current Year Property Taxes to fund 225, without increasing overall property taxes.
- J. GASB Statement 54 further requires the District, through formal action, to identify parameters on the use of the special revenues. Such policy direction shall state who, how, and when, the authority to commit to use of the funds will be allowed.
- K. The Finance, Audit and Operations committee of the Board reviewed this resolution on June 21, 2011 and recommends approval to the Board.

## RESOLUTION

In recognition of increasing PERS rates and changes in governmental accounting standards put forth in GASB Statement 54, the Board hereby implements the following changes to the PERS Rate Stabilization Reserve Fund, effective upon approval of this resolution:

1. The Board hereby establishes in Attachment A to this resolution the policy direction and parameters for funding and expending resources of the PERS Rate Stabilization Reserve Fund.
2. The Board resolves that funding for the PERS Rate Stabilization Reserve Fund will come from property taxes.
3. 0.11% of Current Year Property Taxes currently received in fund 101 will now be credited to Fund 225.
4. Fund balances currently in Special Revenue Fund 225, the PERS Rate Stabilization Fund, shall remain in the Special Revenue Fund.

*N. Sullivan / M. Murray*



Resolution 4471  
Attachment A

Policy on the PERS Rate Stabilization Fund

The District has established a PERS Rate Stabilization Fund to mitigate and manage fluctuations to the rate assessed against PPS salaries and wages, and to repay the PERS Unfunded Actuarial Liability (UAL) borrowing relative to the District's participation on the Oregon School Boards Association Pension Obligation Bond Programs of October 31, 2002 and April 30, 2003.

FUND REVENUES

1. Resources will be dedicated General Fund property taxes in a minimum annual amount of 0.11% of the current year property taxes generated through property taxes for operations.
2. The Board shall allocate the annual amount as part of the annual budget development process.
3. The allocated current year property tax resources shall be budgeted in the PERS Rate Stabilization Fund.
4. Use of the resources must be authorized through formal Board resolution in adherence with federal and state law and in accordance with Governmental Accounting Standards Board (GASB) standards and in compliance with General Accepted Accounting Principles (GAAP).
5. The Board hereby dedicates 0.11% of Current Year Property Tax revenues, which are currently charged at the permanent rate of \$5.2781 per \$1 thousand of assessed value, will be recognized in the PERS Rate Stabilization Reserve Fund.
6. This dedication of property taxes will not increase the total property taxes received by the District
7. This 0.11% property tax revenue set aside will be applied to current year Multnomah, Clackamas and Washington Counties property taxes as recognized in Accounts (41111, 41112 and 41113), and current year property GAP taxes as recognized in Accounts (411311, 411312 and 411313). This resolution is effective in the current fiscal year ended June 30, 2011, and for future years, until otherwise enacted by the Board.

FUND EXPENDITURES

8. The Board resolves that in any given year funds may be withdrawn from the PERS Rate Stabilization Reserve Fund and transferred to the General Fund under either of the following conditions:
  - For the PERS rate that is charged to all PERS eligible district payroll: Upon rate increases in the contractually required PERS charge, an amount may be transferred from the PERS Rate Stabilization Reserve Fund to the General Fund, not to exceed the contractually required combined PERS rate increase (over the PERS contractually required rate in effect at June 30, 2011) times the PERS eligible budgeted salary base for the ensuing period.
  - For the personnel benefits rate that is internally charged to pay annual PERS UAL debt service: Upon rate increases in the PERS UAL rate that are required to cover the current annual costs, an amount may be transferred from the PERS Rate Stabilization Reserve Fund to the General Fund, not to exceed the calculated PERS UAL internal benefits fringe rate increase (over the calculated fringe benefits rate for the year ended June 30, 2011) times the PERS eligible budgeted salary base for ensuing the period.
  - The Board may elect to transfer the combined maximum amounts determined for the two aforementioned conditions, any lesser amounts, or none at all.

*N. Sullivan /C.A. Kirby*

## **RESOLUTION No. 4472**

### Amendment No. 3 to the 2010/11 Budget for School District No. 1J, Multnomah County, Oregon

#### **RECITALS**

- A. On June 21, 2010, the Board by way of Resolution No. 4297 adopted a budget approved by the Finance, Audit and Operations (“FAO”) Committee on May 10, 2010.
- B. Board Policy 8.10.030-AD, “Budget Reallocations – Post Budget Adoption,” establishes the guidelines to ensure consistent and detailed communication on fiscal issues between the Superintendent and the Board of Education (“Board”). Communication is essential under circumstances that could result in significant reductions or reallocations of funding after the Board has adopted the budget.
- C. Oregon Local Budget Law, ORS 294.480, allows budget changes after adoption under prescribed guidelines.
- D. On September 27, 2010, the Board by way of Resolution No. 4344 amended the Fiscal Year 2010-11 budget (Amendment No. 1).
- E. On February 28, 2011, the Board by way of Resolution No. 4415 amended the Fiscal Year 2010-11 budget (Amendment No. 2).
- F. This action, Amendment No. 3, will further revise the FY 2010-11 Adopted Budget under ORS 294.480 guidelines, which states the budget may be amended at a regular meeting of the governing body.
- G. Amendment No. 3 adjusts program allocations for funds to more accurately reflect intended expenditures which will ensure the District complies with the program level budgeting requirements of Local Budget Law.
- H. The Finance, Audit and Operations committee of the Board reviewed this resolution on June 21, 2011, and recommends approval to the Board.

#### **RESOLUTION**

The Board hereby amends budgeted revenues and expenditure appropriation levels as summarized by fund and appropriation level in Attachment A for the fiscal year beginning July 1, 2010.

*N. Sullivan / M.Murray*

Fund 101 - General Fund	Adopted Budget	Amended Budget #1	Amended Budget #2	This Amendment	Amended Budget #3
<b>Resources</b>					
Beginning Fund Balance	24,430,606	28,330,606	28,022,202	-	28,022,202
Revenue from Taxes	229,753,199	232,893,866	232,893,866	-	232,893,866
Tuition	350,000	350,000	350,000	-	350,000
Earnings on Investment	700,000	700,000	700,000	-	700,000
Extra-curricular Activities	1,119,000	1,119,000	1,119,000	-	1,119,000
Other Local Sources	9,859,000	9,866,999	9,866,999	-	9,866,999
Intermediate Sources	7,446,629	7,446,629	7,446,629	-	7,446,629
State Sources	176,650,492	140,553,918	140,553,918	-	140,553,918
Federal Sources	5,261,500	14,369,000	14,369,000	-	14,369,000
Other Sources	100,000	1,336,901	27,086,901	(1,236,901)	25,850,000
<b>Total Resources</b>	<b>455,670,426</b>	<b>436,966,919</b>	<b>462,408,515</b>	<b>(1,236,901)</b>	<b>461,171,614</b>
<b>Requirements</b>					
Instruction	265,225,322	253,571,452	252,733,001	(505,343)	252,227,658
Support Services	174,199,520	171,701,961	173,864,693	(2,098,853)	171,765,840
Enterprise & Community Services	-	-	-	-	-
Facilities Acquisition & Construction	1,180,606	1,263,606	4,292,479	(1,778,870)	2,513,609
Debt Service & Transfers Out	7,857,978	9,929,900	10,204,024	(335,799)	9,868,225
Contingency	7,207,000	500,000	21,314,318	3,481,964	24,796,282
Ending Fund Balance	-	-	-	-	-
<b>Total Requirements</b>	<b>455,670,426</b>	<b>436,966,919</b>	<b>462,408,515</b>	<b>(1,236,901)</b>	<b>461,171,614</b>

Fund 201 - Student Body Activity Fund	Adopted Budget	Amended Budget #1	Amended Budget #2	This Amendment	Amended Budget #3
<b>Resources</b>					
Beginning Fund Balance	3,500,000	3,500,000	3,204,447	-	3,204,447
Extra-curricular Activities	7,800,000	7,800,000	7,800,000	495,553	8,295,553
<b>Total Resources</b>	<b>11,300,000</b>	<b>11,300,000</b>	<b>11,004,447</b>	<b>495,553</b>	<b>11,500,000</b>
<b>Requirements</b>					
Instruction	8,000,000	8,000,000	7,704,447	495,553	8,200,000
Ending Fund Balance	3,300,000	3,300,000	3,300,000	-	3,300,000
<b>Total Requirements</b>	<b>11,300,000</b>	<b>11,300,000</b>	<b>11,004,447</b>	<b>495,553</b>	<b>11,500,000</b>

Fund 205 - Grants Fund	Adopted Budget	Amended Budget #1	Amended Budget #2	This Amendment	Amended Budget #3
<b>Resources</b>					
Intermediate Sources	1,695,494	1,695,494	1,695,494	-	1,695,494
State Sources	29,126,648	29,126,648	29,126,648	-	29,126,648
Federal Sources	62,631,080	62,631,080	62,631,080	-	62,631,080
Other Sources	2,013,572	2,013,572	2,013,572	-	2,013,572
<b>Total Resources</b>	<b>95,466,794</b>	<b>95,466,794</b>	<b>95,466,794</b>	<b>-</b>	<b>95,466,794</b>
<b>Requirements</b>					
Instruction	59,465,278	59,465,278	59,465,278	-	59,465,278
Support Services	32,436,529	32,436,529	32,436,529	(2,500,000)	29,936,529
Enterprise & Community Services	3,032,222	3,032,222	3,032,222	2,500,000	5,532,222
Facilities Acquisition & Construction	532,765	532,765	532,765	-	532,765
<b>Total Requirements</b>	<b>95,466,794</b>	<b>95,466,794</b>	<b>95,466,794</b>	<b>-</b>	<b>95,466,794</b>

Fund 225 - PERS Rate Stabilization Fund	Adopted Budget	Amended Budget #1	Amended Budget #2	This Amendment	Amended Budget #3
Resources					
Beginning Fund Balance	16,800,000	16,800,000	16,800,000	-	16,800,000
Revenue from Taxes	-	-	-	200,000	200,000
<b>Total Resources</b>	<b>16,800,000</b>	<b>16,800,000</b>	<b>16,800,000</b>	<b>200,000</b>	<b>17,000,000</b>
Requirements					
Contingency	-	-	-	200,000	200,000
Ending Fund Balance	16,800,000	16,800,000	16,800,000	-	16,800,000
<b>Total Requirements</b>	<b>16,800,000</b>	<b>16,800,000</b>	<b>16,800,000</b>	<b>200,000</b>	<b>17,000,000</b>

Fund 299 - Dedicated Resource Fund	Adopted Budget	Amended Budget #1	Amended Budget #2	This Amendment	Amended Budget #3
Resources					
Beginning Fund Balance	3,226,190	3,226,190	3,226,190	(835,000)	2,391,190
Local Gov't Not Districts	88,641	88,641	88,641	-	88,641
Tuition	4,713,000	4,713,000	4,713,000	250,000	4,963,000
Extra-curricular Activities	231,922	231,922	231,922	-	231,922
Other Local Sources	7,643,441	7,643,441	7,643,441	1,500,000	9,143,441
State Sources	1,000,500	1,000,500	1,000,500	(750,000)	250,500
Federal Sources	1,603	1,603	1,603	-	1,603
Other Sources	165,000	165,000	165,000	(165,000)	-
<b>Total Resources</b>	<b>17,070,297</b>	<b>17,070,297</b>	<b>17,070,297</b>	<b>-</b>	<b>17,070,297</b>
Requirements					
Instruction	11,196,621	11,196,621	11,196,621	(1,500,000)	9,696,621
Support Services	1,846,904	1,846,904	1,846,904	-	1,846,904
Enterprise & Community Services	41,085	41,085	41,085	-	41,085
Facilities Acquisition & Construction	759,497	759,497	759,497	1,500,000	2,259,497
Contingency	3,226,190	3,226,190	3,226,190	-	3,226,190
<b>Total Requirements</b>	<b>17,070,297</b>	<b>17,070,297</b>	<b>17,070,297</b>	<b>-</b>	<b>17,070,297</b>

Fund 320 - Full Faith & Credit Debt Service Funds	Adopted Budget	Amended Budget #1	Amended Budget #2	This Amendment	Amended Budget #3
Resources					
Federal Sources				224,283	224,283
Other Sources	-	-	274,124	-	274,124
<b>Total Resources</b>	<b>-</b>	<b>-</b>	<b>274,124</b>	<b>224,283</b>	<b>498,407</b>
Requirements					
Debt Service & Transfers Out	-	-	274,124	224,283	498,407

Fund 405 - School Modernization Fund	Adopted Budget	Amended Budget #1	Amended Budget #2	This Amendment	Amended Budget #3
Resources					
Beginning Fund Balance	7,874,056	9,123,433	11,214,292	-	11,214,292
Earnings on Investment	-	-	20,000	15,000	35,000
Long Term Debt Financing Sources	-	-	25,750,000	-	25,750,000
<b>Total Resources</b>	<b>7,874,056</b>	<b>9,123,433</b>	<b>36,984,292</b>	<b>15,000</b>	<b>36,999,292</b>
Requirements					
Support Services	-	-	-	70,000	70,000
Facilities Acquisition & Construction	7,874,056	7,886,532	9,897,391	1,181,901	11,079,292
Debt Service & Transfers Out	-	1,236,901	26,986,901	(1,236,901)	25,750,000
Contingency	-	-	100,000	-	100,000
<b>Total Requirements</b>	<b>7,874,056</b>	<b>9,123,433</b>	<b>36,984,292</b>	<b>15,000</b>	<b>36,999,292</b>

<b>Fund 407 - IT System Project Fund</b>	<b>Adopted Budget</b>	<b>Amended Budget #1</b>	<b>Amended Budget #2</b>	<b>This Amendment</b>	<b>Amended Budget #3</b>
Resources					
Beginning Fund Balance	7,755,696	7,755,696	8,468,415	-	8,468,415
Earnings on Investment	30,000	30,000	30,000	-	30,000
<b>Total Resources</b>	<b>7,785,696</b>	<b>7,785,696</b>	<b>8,498,415</b>	<b>-</b>	<b>8,498,415</b>
Requirements					
Support Services	4,937,037	4,937,037	5,068,292	1,000,000	6,068,292
Contingency	2,848,659	2,848,659	3,430,123	(1,000,000)	2,430,123
<b>Total Requirements</b>	<b>7,785,696</b>	<b>7,785,696</b>	<b>8,498,415</b>	<b>-</b>	<b>8,498,415</b>

## **RESOLUTION No. 4473**

### Establishing Two New Funds: Fund 308, PERS UAL Debt Service Fund and Fund 309, SELP Debt Service Fund

#### **RECITALS**

- A. In fiscal years 2002 and 2003 Portland Public Schools (PPS) partnered with several school districts and the Oregon School Boards Association to issue Limited Tax Pension Obligation Bonds (POBs).
- B. On September 17, 2002, by way of Resolution No. 2227 the Board authorized Portland Public School participation in the issuance of POBs. PPS portion of the POB was authorized at \$210,103,857.
- C. On January 13, 2003, by way of Resolution No. 2352 the Board authorized participation in the issuance POBs. PPS portion of the POB was authorized at \$281,170,040.
- D. Payment of the debt service is managed through a Trustee (Wells Fargo Bank Northwest, National Association). Funds are received by the Trustee through an Intercept Agreement with the State Department of Education.
- E. Under the terms of the Intercept Agreement, the State Department of Education diverts a portion of the participating school districts annual State School Fund (SSF) allocation to the Trustee in an amount equal to the debt service. The Trustee uses these funds to make the debt service payments on behalf of the participating districts, including PPS.
- F. In fiscal years 1994 and 1995 PPS borrowed \$8.335 million under the Small Scale Energy Loan Program (SELP) from the Oregon Department of Energy. The funds were used for building energy retrofitting and other energy conservation measures.
- G. Under the new GASB 54 requirements, debt service payments for the SELP loans in the General Fund would require that the Fund Balance for the General Fund be restricted for the amount relating to the ensuing year. Recording the SELP loans in a debt service fund would not require a fund balance restriction.
- H. In the interest of consistency the District would like to reflect all long-term debt payments in debt service funds. This will allow the Comprehensive Annual Financial Report (CAFR) reporting for debt to relate among the debt service governmental funds, the debt service footnotes, and government-wide reporting for interest.
- I. Improved transparency of the financial statements will be enhanced if the PPS portion of the PERS Unfunded Actuarial Liability Bonds debt obligation and the SELP loan are tracked in separate debt service funds.
- J. The Finance, Audit and Operations committee of the Board reviewed this resolution on June 21, 2011, and recommends approval to the Board.

#### **RESOLUTION**

- 1. The Board hereby establishes Fund 308, the "PERS UAL Debt Service Fund", which will separately account for resources and requirements for the Pension Obligation Bonds debt service.
- 2. The Board hereby establishes Fund 309, the "SELP Debt Service Fund", which will separately account for resources and requirements for the Small Scale Energy Loan Program debt service.

3. The Board affirms that actual POB debt service payments will continue to be paid by the Trustee through the "Intercept Agreement".

*N. Sullivan / M. Murray*

## RESOLUTION No. 4474

### Impose Taxes and Adoption of the FY 2011/12 Budget for School District No. 1J, Multnomah County, Oregon

#### RECITALS

- A. Oregon Local Budget Law, ORS 294.406 requires each legal jurisdiction's Budget Committee approve a budget and specify *ad valorem* property tax rate for all funds
- B. The Board of Education ("Board") appointed a Citizen Budget Review Committee ("CBRC") to review the Proposed Budget and current year expenditures of the existing Local Option Levy. The CBRC acts in an advisory capacity to the Board.
- C. On May 23, 2011, the Budget Committee received testimony and a report on the current year Local Option Levy expenditures, and testimony and budget recommendations from the CBRC.
- D. On May 23, 2011, by way of Resolution No. 4456, and under the provisions of Oregon Local Budget Law (ORS Ch. 294), the Budget Committee for School District No. 1J, Multnomah County, Oregon ("District"), approved the FY 2011/12 budget and imposed taxes.
- E. Oregon Local Budget Law, ORS 294.411, requires submission of the budget document to the Tax Supervising Conservation Commission ("TSCC") by May 15 of each year. ORS 294.411 allows taxing jurisdictions to request an extension of the submission date.
- F. The District requested, and the TSCC authorized, extending the submission date to no later than June 3, 2011.
- G. The TSCC held a public hearing on the Approved Budget on June 27, 2011.
- H. The District intends to increase the size of two funds by greater than percent between the time the budget was approved by the Budget committee and adoption of this resolution
- I. Increase of greater than ten percent require the District to resubmit the budget to the TSCC and hold another budget hearing.
- J. The TSCC held another public hearing on the budget on June 27, 2011 and certified the approved budget with no objections.
- K. ORS 457.010(4)( a) provides the opportunity for a school district to exclude from urban renewal divide-the-taxes that amount with a statutory rate limit on July 1, 2003, that is greater than \$4.50 per \$1,000 of assessed value, to the extent that the rate limit was increased under section 11 (5)(d), Article XI of the Oregon Constitution and, property tax revenue from said increase is excluded from local revenues, as that term is used in ORS Chapter 327, and provided that the school district notifies the county assessor of the rate to be excluded for the current fiscal year not later than July 15.
- L. Portland Public Schools has a statutory rate limit that in is in excess of the \$4.50 limitation that includes an increase under section 11 (5)(d), Article XI of the Oregon Constitution.
- M. The Finance, Operations and Audit committee of the Board reviewed this resolution on June 21, 2011 and recommends approval to the Board.



## RESOLUTION

1. The District's Board of Education hereby adopts the budget for the fiscal year 2011/12 in a total amount of **\$681,185,950**.
2. The Board appropriates for the fiscal year beginning July 1, 2011, the expenditure amounts summarized by program in Attachment A to this resolution and as detailed in the budget book, Adopted Budget, For the fiscal year 2011/12, School District 1J, Multnomah County, Oregon .
3. The budget document shall be available in the District administrative office and available on-line at the District's website no later than July 15, 2011.
4. The Board resolves that the District hereby imposes the taxes provided for in the adopted budget:
  - a. At the rate of \$5.2781 per \$1,000 of assessed value for operations;
  - b. At the rate of \$1.9900 per \$1,000 of assessed value for local option tax; and that these taxes are hereby imposed and categorized for tax year 2011/12 upon the assessed value of all taxable property within the district.
5. The Board further resolves that the \$0.5038 per \$1,000 of taxable assessed value Gap Tax Levy is excluded from division of taxes calculations.

*M.Murray*

Fund	Instruction	Support Services	Enterprise & Community Services	Facilities Acquisition & Construction	Debt Service & Transfers Out	Contingency	Ending Fund Balance	Fund Total
Fund 101	254,456,703	177,021,524	550,000	3,109,593	7,604,088	24,559,259	-	467,301,167
Fund 201	8,150,000	-	-	-	-	-	3,157,000	11,307,000
Fund 202	-	-	17,025,398	-	-	-	2,530,374	19,555,772
Fund 205	44,355,480	26,867,345	3,305,755	427,578	-	-	-	74,956,158
Fund 225	-	-	-	-	1,900,000	-	15,300,000	17,200,000
Fund 299	12,053,975	1,845,584	50,472	4,313,072	-	-	-	18,263,103
Fund 304	-	-	-	-	1,667,254	-	-	1,667,254
Fund 306	-	-	-	-	3,976,828	-	-	3,976,828
Fund 307	-	-	-	-	613,630	-	-	613,630
Fund 308	-	-	-	-	34,673,326	-	-	34,673,326
Fund 309	-	-	-	-	376,514	-	-	376,514
Fund 320	-	-	-	-	1,354,693	-	-	1,354,693
Fund 404	-	-	-	3,299,625	677,347	250,000	-	4,226,972
Fund 405	-	-	-	7,067,703	-	500,000	-	7,567,703
Fund 407	-	2,104,891	-	-	-	1,325,232	-	3,430,123
Fund 420	-	12,670	-	4,510,330	-	500,000	-	5,023,000
Fund 480	-	-	-	3,000,000	-	-	-	3,000,000
Fund 601	-	2,922,707	-	-	3,270,000	500,000	-	6,692,707
<b>Total</b>	<b>\$ 319,016,158</b>	<b>\$ 210,774,721</b>	<b>\$ 20,931,625</b>	<b>\$ 25,727,901</b>	<b>\$ 56,113,680</b>	<b>\$ 27,634,491</b>	<b>\$ 20,987,374</b>	<b>\$ 681,185,950</b>