



**Community Budget Review Committee (CBRC)
Meeting Minutes**

Date: Thursday, February 15, 2024
Time: 5:30 pm - 7:30 pm
Location: (Virtual) The meeting will be streamed live under the provision of ORS 192.670 at: <https://www.youtube.com/@ppsfinance/live>

MATERIALS

[CBRC Budget Development Update and LOL Overview](#)

ATTENDEES

CBRC Attendees

Karanja Crews
Tasz Ferguson
Dashiell Elliott
Stephan Lindner
Jen Gray-O'Connor
Mariah Hudson
Roger Kirchner
Adriel Person
Aaron Cronan
Luke Susswood
Mo Damtew

Staff Attendees

Myong Leigh
Alexandra Martin
Junho Chang

Board Attendees

Patte Sullivan

Public Comment

[Written Public Comment](#)

MINUTES

5:35 pm

- Welcome and housekeeping
- Public comment

Staff reminded CBRC of upcoming meetings and shared written public comment. CBRC
--

members discussed the public comment.

5:55 pm

- 2024-25 budget development update

Staff presented a 2024-25 budget development update and answered questions from CBRC members.

6:35 pm

- Local Option Levy overview and CBRC role

Staff presented an overview of the Local Option Levy and provided details on CBRC's role in oversight of General Fund levy dollars.

7:05 pm

- Q & A - Good of the order

Staff reminded members of upcoming engagements:

- February 20, 2024 Board budget work session
- March 14, 2024 next CBRC meeting

7:10 pm

- Closing - Committee Chair

Mariah Hudson closed the meeting at 7:10p.

TRANSCRIPT

00:15:36.000 --> 00:15:43.000

Yeah, let's go ahead and kick off. Welcome everyone. We're so glad to have a board member Sullivan here tonight.

00:15:43.000 --> 00:15:46.000

And I will let Alexandra lead out.

00:15:46.000 --> 00:15:52.000

Thank you, Maria. Sounds good.

00:15:52.000 --> 00:16:05.000

So, we are here to, cover our preliminary budget development update. Before we get into that content, we wanted to just do a little bit of housekeeping.

00:16:05.000 --> 00:16:15.000

So on the screen right now I'm sharing our upcoming meeting dates. Our next regular meeting with CPRC will be Thursday, March fourteenth.

00:16:15.000 --> 00:16:23.000

I have some suggestions for topics, that are program specific. So I'm going to work on getting those scheduled.

00:16:23.000 --> 00:16:37.000

I wanted to note that if you have any specific topics or questions that you would like covered, please let me know so that we can have an athlete time to respond to you and, you know, get folks in the room with us to answer your questions.

00:16:37.000 --> 00:16:44.000

So let me know if there's something specific that you would want to hear. On March fourteenth.

00:16:44.000 --> 00:16:54.000

The next CBRC. Specific engagement we have is on March nineteenth with the board. The CBRC board work session.

00:16:54.000 --> 00:16:56.000

Roger, go ahead.

00:16:56.000 --> 00:17:05.000

You asked in an email this, last week, about our availability for.

00:17:05.000 --> 00:17:17.000

A work session on the board. On the twentieth of this month. Is that still a go or is that not so?

00:17:17.000 --> 00:17:21.000

Yes, and it is. Still on the list and sorry if that is confusing here. So we have a board budget work session.

00:17:21.000 --> 00:17:32.000

And that's the second dark colored bullet point there. So CBRC is welcome to attend.

00:17:32.000 --> 00:17:45.000

It's an option for you to attend. And so that's going to be held in person at the profit center on Tuesday evening.

00:17:45.000 --> 00:17:47.000

And I'll

00:17:47.000 --> 00:17:50.000

Okay, Hmm.

00:17:50.000 --> 00:18:01.000

There are a lot of dates flowing around here. I'm gonna run through the rest of the dates and then if there are any other questions to clarify, feel free to raise your hand.

00:18:01.000 --> 00:18:07.000

So Thursday, April eleventh, I'm proposing a working meeting to work on the proposed budget. That's when we are aiming to have the proposed budget document.

00:18:07.000 --> 00:18:24.000

Available for you. April sixteenth is another working meeting and April eleventh is our is our third working meeting focused on that so in prior your experience it does take several meetings to get through that content.

00:18:24.000 --> 00:18:41.000

And we can talk more about how that takes shape when a little bit closer to those dates. And then May seventh is when we have a CBRC report due to the board on the superintendent's proposed budget and the local option, review.

00:18:41.000 --> 00:18:50.000

And then just like Roger, mentioned and called out, we have a board. Work session coming up this Tuesday.

00:18:50.000 --> 00:18:57.000

And the content will be similar to what we're presenting here tonight.

00:18:57.000 --> 00:19:09.000

Are there any other questions on those dates and upcoming engagements?

00:19:09.000 --> 00:19:18.000

Okay. We are really ramping up in the activity for CBRC. So, thank you so much for all of your time.

00:19:18.000 --> 00:19:24.000

The other content I wanted to share is linked here and, you know, I noted that I didn't provide these slides ahead of time, so apologies for that, but I'll send them to you right after the meeting.

00:19:24.000 --> 00:19:43.000

So I just wanted to share the budget. Development update that came from, our former superintendent, Superintendent Carrero, in case you didn't see that from your other connections with PPS.

00:19:43.000 --> 00:19:50.000

This was emailed out really broadly. And so maybe some of you have seen it, but it's linked here for you.

00:19:50.000 --> 00:19:52.000

And then the other housekeeping item on housekeeping, but we do hold time for public comments.

00:19:52.000 --> 00:20:06.000

So we don't have live public comment tonight. But I wanted to share that we have.

00:20:06.000 --> 00:20:13.000

Received, we received this public comment and I'm just going to pause here.

00:20:13.000 --> 00:20:40.000

And let folks read this public comment.

00:20:40.000 --> 00:20:45.000

So.

00:20:45.000 --> 00:20:55.000

The context for this is that we had of course as Portlanders know we had an ice storm. And this.

00:20:55.000 --> 00:21:10.000

Disrupted operations in several schools. We had school closures and there was property damage related to that. And the interior and exterior of many school sites in the district.

00:21:10.000 --> 00:21:12.000

And Roger, I saw your hand up.

00:21:12.000 --> 00:21:22.000

Well, I presume that they answer this to come from Dan. Shop and. Part of the public schools.

00:21:22.000 --> 00:21:33.000

The vast majority of them are 75 years or older or older. The buildings and the, and like, our neighboring districts of There were buildings that were damaged.

00:21:33.000 --> 00:21:47.000

Due to the ice storm and that. Yeah, expose a mess. Fastest. and, in, buildings that, the.

00:21:47.000 --> 00:21:56.000

Result in that. The need for further abatement or or repair or whatever.

00:21:56.000 --> 00:22:09.000

Like I say, I think, rather than CBRC responding. It needs to be forward is on to Daniel.

00:22:09.000 --> 00:22:19.000

We can circulate this further internally. It was directed at CPRC to, you know, it was directed at this at this committee.

00:22:19.000 --> 00:22:29.000

I did respond to this community member. That we have a bond accountability committee, which may be, another.

00:22:29.000 --> 00:22:35.000

Option. And just for your awareness, we also have listening sessions being hosted one of them is tonight.

00:22:35.000 --> 00:22:46.000

Concretly with this meeting and there's another one scheduled for next week associated with the marketing community.

00:22:46.000 --> 00:22:49.000

Director Sullivan, go ahead.

00:22:49.000 --> 00:22:57.000

Yes, I just also heard that. At Ainsworth as they were fixing their annex, which is unusable at the moment.

00:22:57.000 --> 00:23:05.000

As, as they started to repair floors, they found asbestos. So every time they find as best they have to stop.

00:23:05.000 --> 00:23:10.000

Make sure you know it's really needs to be removed. And move it a certain way. So it slows everything down.

00:23:10.000 --> 00:23:20.000

So it does sound like. Well, Roger said it's just these old buildings, they're finding stuff they they probably knew it was there, but.

00:23:20.000 --> 00:23:42.000

Hadn't gotten to it yet. But I agree, probably it needs to go to. Yeah, or like you said, bond accountability committee, but Probably Dan Young is the wanted to forward this to.

00:23:42.000 --> 00:23:47.000

Because we certainly don't know why they didn't assess marketing.

00:23:47.000 --> 00:23:48.000

Okay.

00:23:48.000 --> 00:23:51.000

Roger, is your hands up again?

00:23:51.000 --> 00:24:04.000

Yeah, it's up again. Older buildings are not necessarily. They do not necessarily remove asbestos.

00:24:04.000 --> 00:24:08.000

Hey, they have a way of abating at the. Seeing it often and so on.

00:24:08.000 --> 00:24:19.000

For example, as you know, I volunteer for many years at Franklin High School. It's one of the first buildings that was.

00:24:19.000 --> 00:24:32.000

For a model and yet it retained the some of the historical building and the historical building has abated as fast as in it.

00:24:32.000 --> 00:24:40.000

So. That's how it's dealt with. Rather than, moving it.

00:24:40.000 --> 00:24:44.000

Thank you for the context, Roger.

00:24:44.000 --> 00:24:52.000

Okay, I'm gonna go ahead and move us along. In our agenda. So the 2 big topics for this evening are the update on our budget.

00:24:52.000 --> 00:25:11.000

Development for the coming school year, 2,024 through 2,025. As well as an introductory overview of the local option levy and this committee's role in it.

00:25:11.000 --> 00:25:19.000

So with that, I'm going to cast it, I believe to, is this your slide?

00:25:19.000 --> 00:25:31.000

I think so. Thanks, Alexandra. Good evening, everybody. Thank you again for being here in advance for, a busy spring.

00:25:31.000 --> 00:25:51.000

We really appreciate. As Alexander said, all your time and focus. So I'm gonna talk a bit about, sort of the context and a little bit on this slide about the the very high level that the phases of the budget development process.

00:25:51.000 --> 00:26:03.000

Some of you are quite familiar with this. Already. But, just in brief. The first phase, which we really kicked off this week.

00:26:03.000 --> 00:26:18.000

Is the release of school staffing information. So that is out now as of . Past couple of days And, the principals have their, school budget information.

00:26:18.000 --> 00:26:32.000

It's called ISRs or individual school reports. They're, gonna be they're already hard work.

00:26:32.000 --> 00:26:37.000

Planning their budgets and their staffing for next year and they have about 2 weeks to get information back.

00:26:37.000 --> 00:26:52.000

Back to, the teams here. At headquarters. And especially in March, but really, you know, through.

00:26:52.000 --> 00:27:01.000

Through the next several months, there's gonna be. A series of engagements for community feedback.

00:27:01.000 --> 00:27:10.000

And there are a lot of different engagements that will take place. In that regard and CBRC will obviously play.

00:27:10.000 --> 00:27:18.000

An important role in that. And then in the third week of April. Superintendent Husk, Dr.

00:27:18.000 --> 00:27:27.000

Hus will present a detailed budget. Will introduce a budget to the board. And that will then be.

00:27:27.000 --> 00:27:35.000

Adapted, discussed, refined, and come back for a vote. By the board in June.

00:27:35.000 --> 00:27:46.000

So also want to emphasize this this sentence in the middle or the the, the, the statement there that says the budget picture will continue to change.

00:27:46.000 --> 00:27:59.000

And that's That's just how budgeting tends to go in school districts for better for worse that we're always getting.

00:27:59.000 --> 00:28:14.000

Fluid information both about revenues and and costs and, will, will be updating the overall picture including the kind of information I'm about to share.

00:28:14.000 --> 00:28:15.000

Yeah.

00:28:15.000 --> 00:28:21.000

Throughout the spring, but hopefully not. Not constantly just from time to time.

00:28:21.000 --> 00:28:29.000

Correct, so We can go on.

00:28:29.000 --> 00:28:40.000

So it's important that that all of our budget discussions and decisions are guided by our core mission.

00:28:40.000 --> 00:28:47.000

And our vision of who we are at PPS. And put that at the forefront of everything we do.

00:28:47.000 --> 00:29:00.000

So as many of you know, we have a community vision for who we want to be. And a strategic plan forward together that outlines how we will realize our vision for student achievement.

00:29:00.000 --> 00:29:08.000

And a set of academic achievement goals that the board has adopted and and refers to often. I think we talked about this last month.

00:29:08.000 --> 00:29:12.000

To hold us accountable.

00:29:12.000 --> 00:29:22.000

Our core mission is to ensure that every student receives a more consistent high quality and joyful school experience across our schools.

00:29:22.000 --> 00:29:36.000

And we strive to close the opportunity and achievement gap for students of color. Emergent bilingual students and those who receive special education services.

00:29:36.000 --> 00:29:48.000

And all of that, we, want to be intentional about centering. In these in these budget decisions it's going to be a challenging budget cycle.

00:29:48.000 --> 00:29:55.000

But despite that, we, we really want to lean into and be guided by our, our strong foundation.

00:29:55.000 --> 00:30:13.000

For students success with a clear teaching vision. A lot of work has been put in place to, roll out consistent learning materials and Okay.

00:30:13.000 --> 00:30:17.000

Educator training.

00:30:17.000 --> 00:30:21.000

The next The next slide.

00:30:21.000 --> 00:30:29.000

And just this this sort of builds on some of the information we shared last time.

00:30:29.000 --> 00:30:36.000

Month during the budget 100, and one section of your meeting. So just in general, there are.

00:30:36.000 --> 00:30:50.000

5, funds, some, we talk about more than others, but there are 5 funds in the district's overall budget, which is about 2.1 8 billion dollars that's with the B.

00:30:50.000 --> 00:31:03.000

In the current year and the box that's around the first 2 of those columns just really signifies that And this presentation and a lot of.

00:31:03.000 --> 00:31:11.000

Presentations and discussion I think and CBRC focuses on the the general fund and the special revenue fund.

00:31:11.000 --> 00:31:29.000

I know there are times when you talk about capital funds, building funds as well, but really we're mostly going to be talking about those core operating programmatic funds, the general fund and the special revenue funds.

00:31:29.000 --> 00:31:42.000

So on the, on the next slide, in this slide, we, have 3 different challenges that we're facing.

00:31:42.000 --> 00:31:54.000

All that all at once. And we're trying to honor our mission within constraints. And so we have 3.

00:31:54.000 --> 00:32:04.000

Trends one is rising expenses rising costs limited resources and declining enrollment I want to sort of.

00:32:04.000 --> 00:32:15.000

Lift up one. One specific. Challenge that our budget is mostly from the state.

00:32:15.000 --> 00:32:23.000

As we talked about last time, the state sets the bulk of the revenues that we receive.

00:32:23.000 --> 00:32:24.000

Yeah.

00:32:24.000 --> 00:32:38.000

And this year the funding levels from the state school fund basically the amount of core funding that we receive. Was based on what's called a current service level.

00:32:38.000 --> 00:32:50.000

Which is taking last year's budget and and trying to estimate the costs, increasing costs coming into the following year or this year.

00:32:50.000 --> 00:33:06.000

And the state set a budget for for education for K 12. Education in the state that basically estimated about a 2 and a half percent increase in salaries for school employees.

00:33:06.000 --> 00:33:14.000

And as I think everybody knows here. We've reached a labor contracts, labor agreements that are more than twice that.

00:33:14.000 --> 00:33:24.000

So. And both. Those those are good things and and they also.

00:33:24.000 --> 00:33:33.000

Present some fiscal realities. So. We know we have to Alright, make some adjustments to our budgets in order to.

00:33:33.000 --> 00:33:42.000

Address that disconnect between state funding and our costs. Especially our people costs. So in the meantime, our student needs continue to grow.

00:33:42.000 --> 00:33:53.000

And we also are trying to. Meet various state mandates.

00:33:53.000 --> 00:34:03.000

We also have less special revenue. The federal pandemic aid dollars that We've had for the past few years, those have to be spent or.

00:34:03.000 --> 00:34:14.000

Or fitted. We don't intend to forfeit any of that, but, we, We call it user lose, the federal government has set a user lose deadline of September thirtieth.

00:34:14.000 --> 00:34:27.000

So that's that's given PPS. Over 70 million dollars over the past few years and Those are those dollars are exp expiring now.

00:34:27.000 --> 00:34:40.000

So we can't, rely on them. Really beyond this year a little part of into next year but but really this is the last full year that we're in now that we'll have the full benefit of those funds.

00:34:40.000 --> 00:34:48.000

And then finally, declining enrollment. Next year, our enrollment is projected to decrease by more than 600 students.

00:34:48.000 --> 00:34:57.000

Which is roughly the size of 2 medium sized elementary schools in PPS. And since 2,020.

00:34:57.000 --> 00:35:10.000

Our enrollment has fallen. A bit faster, a bit more quickly than the states. And we're also projecting a decline.

00:35:10.000 --> 00:35:15.000

In the next 10 years. And a lot of students. You know, there are a few different reasons for this trend.

00:35:15.000 --> 00:35:28.000

One is that a growing proportion of school aids children in our boundaries are attending private school or choosing home school.

00:35:28.000 --> 00:35:39.000

Some, you know, families have moved out or are moving out of the state. And there is a decrease.

00:35:39.000 --> 00:35:44.000

Noticeable decrease in the number of births. So what does all this mean? Enrollment?

00:35:44.000 --> 00:35:59.000

Why does enrollment? Affect the budget, the short answer is that that our core revenue is impacted by Stream enrollment.

00:35:59.000 --> 00:36:08.000

It's directly tied to enrollment. And so, declining enrollment or losing, losing the number of students does put pressure on how much revenue.

00:36:08.000 --> 00:36:13.000

We receive. In a given year.

00:36:13.000 --> 00:36:23.000

Can I apologize, I'm giving some some gloomy news here, but it's important that that everybody

00:36:23.000 --> 00:36:33.000

Have a good understanding of the picture. So if we go into. Yes. Yes.

00:36:33.000 --> 00:36:34.000

Okay, thank you.

00:36:34.000 --> 00:36:35.000

Yeah. I see Aaron has a hand up.

00:36:35.000 --> 00:36:37.000

I don't remember. Hi, this is a little bit off topic, but I guess my question is, I was just thinking about this the other day.

00:36:37.000 --> 00:36:49.000

Ever since I moved to Portland, there's been the story that like the population of students has been shrinking and I've seen the school district take buildings and basically sell them off.

00:36:49.000 --> 00:36:50.000

Cause maintaining was too expensive. So I'm wondering is it an option for this cool district?

00:36:50.000 --> 00:37:10.000

To hold on to properties and just use them for. You know, sublet them or something to allow for some revenue generation rather than losing that valuable property.

00:37:10.000 --> 00:37:18.000

I think the short answer is yes. I mean, it's, it's a complicated, Complicated questions underneath that question.

00:37:18.000 --> 00:37:33.000

We do receive some revenue from use permits or whether it's sort of occasional or one time or ongoing arrangements with.

00:37:33.000 --> 00:37:45.000

With partners that that need space There's a. An arrangement called.

00:37:45.000 --> 00:37:46.000

Hmm.

00:37:46.000 --> 00:37:49.000

Community use, I forget what the B stands for in Cub. Do you know or Alexandra, please help?

00:37:49.000 --> 00:37:50.000

Civic.

00:37:50.000 --> 00:37:51.000

Use of buildings.

00:37:51.000 --> 00:38:20.000

Community use of buildings there you go and so we do get some revenue for arrangements like that I it's it's my understanding that that those aren't really intended to sort of maximize revenues but to sort of offer space and recover kind of our costs for doing so with community partners, especially partners who serve our our students.

00:38:20.000 --> 00:38:31.000

And Alexandra and or Gino if you if you have more or different information to share about that then please Please do.

00:38:31.000 --> 00:38:36.000

Not right now, but I see we have, 3 other. Books who have questions or comments.

00:38:36.000 --> 00:38:44.000

So Luke. Mr. Cruz and Roger. Luke, can we start with?

00:38:44.000 --> 00:38:54.000

Really? Yeah. So you mentioned something about the pandemic federal funding. I'm just wondering is that funding because you said we still have opportunity to spend some of it.

00:38:54.000 --> 00:39:01.000

How much of it do we have left and is that accounted for in the current budget, that you guys talked about?

00:39:01.000 --> 00:39:02.000

Yes. Great question.

00:39:02.000 --> 00:39:06.000

Yes.

00:39:06.000 --> 00:39:07.000

So.

00:39:07.000 --> 00:39:15.000

So we Sorry, I'm getting an echo. Okay, now I'm not. And so This year's budget, the 2,324 budget.

00:39:15.000 --> 00:39:25.000

Had about 36 million dollars I believe the last sort of unspent balance of those one time.

00:39:25.000 --> 00:39:30.000

So Those are kind of the last. Remainder, I guess, of the all the 70 to 80 million dollars PPS received.

00:39:30.000 --> 00:39:45.000

The past few years. The deadline for spending those dollars is September thirtieth, 2,024.

00:39:45.000 --> 00:39:57.000

So. Because our fiscal year goes from July first to June thirtieth. That basically represents one quarter of next year.

00:39:57.000 --> 00:40:12.000

And so we are. Talking about and thinking about. How if we if we have some funds left over at the end of this year by June thirtieth, 2,024.

00:40:12.000 --> 00:40:30.000

How we might be able to use the remaining balance appropriately to help with some costs for for that first quarter of next year and it's it's definitely being considered and and

00:40:30.000 --> 00:40:31.000

Counted, if you will, to, you know, to address that part of your question.

00:40:31.000 --> 00:40:42.000

I don't have all the details. To share, you know, right now or in this meeting.

00:40:42.000 --> 00:40:49.000

But, picture, yes, we do expect to have, you know, several 1 million dollars left over when everything is accounted for.

00:40:49.000 --> 00:41:01.000

For this fiscal year and we're working that estimate into our plans for the 2425 budget.

00:41:01.000 --> 00:41:02.000

That's a great question. Thank you.

00:41:02.000 --> 00:41:04.000

Raja.

00:41:04.000 --> 00:41:20.000

Yeah, yeah, that was a great question. That was similar to a question I had. So is that, is that a yes that the 32 million is gonna be, so you're gonna wait until the end in balance of June thirtieth.

00:41:20.000 --> 00:41:32.000

Before you count the remaining balance for the 23 and 24 budget.

00:41:32.000 --> 00:41:33.000

Did you mean the 2425 budget or?

00:41:33.000 --> 00:41:38.000

Yes, yeah, I'm sorry. Yeah, 2425.

00:41:38.000 --> 00:42:03.000

Right. So I think it's a little bit of both. We do have some working estimates which are you know they're they're they're a little bit of a

moving target But we have we do expect that when we finish closing the books for this year for 2324 We will not have.

00:42:03.000 --> 00:42:05.000

Spent a hundred percent. Of the remaining dollars, those federal pandemic dollars, or there's an acronym called ESSER.

00:42:05.000 --> 00:42:26.000

I think I think you you're aware of that Mr. Cruz that that acronym and so the the estimate of the dollars that will remain I think it's going to be several 1 million dollars.

00:42:26.000 --> 00:42:46.000

We are looking at possible uses of those funds. And Gina, I might ask you to help me recall some of the specific possible uses, but things like Summer learning is is one possibility.

00:42:46.000 --> 00:42:53.000

Yes, summer learning is a possibility. We're also looking to use them to

00:42:53.000 --> 00:43:04.000

Help us achieve our strategic priorities as a district and while staying within the federal guidelines of the uses of those funds.

00:43:04.000 --> 00:43:13.000

And so we're looking to see if we can. Kind of relieve some pressure around different constraints in our budget.

00:43:13.000 --> 00:43:14.000

And so it will.

00:43:14.000 --> 00:43:22.000

Can you, can you send us, allocation what, is currently gonna be allocated with the remaining funds?

00:43:22.000 --> 00:43:26.000

And how that money is gonna be spent. Can you send that to the group?

00:43:26.000 --> 00:43:37.000

Yeah, this some of those decisions are still kind of up in the air. By leadership and so we can definitely get that information to you when that information becomes available.

00:43:37.000 --> 00:43:38.000

Absolutely.

00:43:38.000 --> 00:43:49.000

And then, and then, my last question, I was told that there is a freeze on, new contracts, because of the potential buzzing constraints.

00:43:49.000 --> 00:43:54.000

Is is that true?

00:43:54.000 --> 00:44:05.000

It's I think it sort of depends on on which which part which budget or which part of the district budget we're talking about for example

00:44:05.000 --> 00:44:13.000

It was a principal, principal graduate school budget. So this was a principal who I communicated and said.

00:44:13.000 --> 00:44:23.000

From their higher ups that there's a freeze. Providing, new student services contracts.

00:44:23.000 --> 00:44:38.000

I see. Well, There are I I would answer it this way. We have not technically put a freeze on current year.

00:44:38.000 --> 00:44:52.000

School budgets for positions or non-personnel there might be you know we hear all the time that there are difficulties making ends meet at schools because their budgets are are constrained.

00:44:52.000 --> 00:45:13.000

But for the current year, we haven't issued a, you know, a freeze technically. If part of what they're talking about or thinking about is looking ahead to next year.

00:45:13.000 --> 00:45:22.000

They are wrestling many schools and some probably more than others. They're wrestling with decreasing budgets next year.

00:45:22.000 --> 00:45:45.000

And so unless I'm missing something. I don't know if I would necessarily call it a freeze, but, you know, for sure, definitely

constraints on on how far resources will go towards meaning multiple competing priorities.

00:45:45.000 --> 00:45:54.000

Again, I don't know if Gino or Alexandra. Can think of something else that I'm, that's not occurring to me.

00:45:54.000 --> 00:46:01.000

Not on that. Topic, but I'm looking at the talk and, Several people have their hands on right now.

00:46:01.000 --> 00:46:10.000

So can we go to Roger and then let's go to Michelle because we haven't heard from you yet.

00:46:10.000 --> 00:46:12.000

So go ahead Roger.

00:46:12.000 --> 00:46:24.000

Well, in response to Aaron's first question about buildings. the district owns more buildings than they operate in student basic.

00:46:24.000 --> 00:46:33.000

Programs. and just for an example, we at least a, a portion of of the profit building.

00:46:33.000 --> 00:46:43.000

To, them. So there are revenues derived. In some instances on leases.

00:46:43.000 --> 00:46:56.000

And If you'll go back to the question and answer thing last year. I asked the question of Dan Young.

00:46:56.000 --> 00:47:05.000

How many buildings we were leasing. And I got an unsatisfactory answer and then when I spoke with him.

00:47:05.000 --> 00:47:26.000

Board meeting at the realized that they had answered and correctly, but anyway. So I will get an update as we go along, but, there are vacant buildings and and and they also occur on the the third maintenance, list.

00:47:26.000 --> 00:47:33.000

And there are a couple

00:47:33.000 --> 00:47:40.000

Other items I would mention. basically what this

00:47:40.000 --> 00:47:53.000

Is what has appeared in in the public media. Which may or may not be accurate. And, and already here.

00:47:53.000 --> 00:47:55.000

On Facebook or whatever with a . A. T. And other unions.

00:47:55.000 --> 00:48:10.000

If you know that they're disseminating information, which is also not totally accurate. But anyway, for example, the school districts in the state.

00:48:10.000 --> 00:48:28.000

Are required by law. In a month of February to send out notices of potential layoffs. And that is due largely as Mong has identified declining enrollments, declining revenues, and so on.

00:48:28.000 --> 00:48:34.000

And, that's required by law and it's required by the contracts with those unions.

00:48:34.000 --> 00:48:41.000

So they'll be deceived if you are criticized.

00:48:41.000 --> 00:49:01.000

When the district gets to do this. And then, also. The young, at your convenience and, this, Alexandra, you know, let us know what

00:49:01.000 --> 00:49:12.000

In the in the letters that went out to teachers. the superintendent identified that, half of the, the.

00:49:12.000 --> 00:49:26.000

The necessary cuts for Yes, forthcoming budget year. Will come out of. That's at the district level and then another half would.

00:49:26.000 --> 00:49:37.000

Out of the at the school level. So, The question I have is who do we have as remaining staff? But

00:49:37.000 --> 00:49:52.000

For from CBRC for the budget, we have. And we have done essentially without a CFO and budget director this year.

00:49:52.000 --> 00:50:04.000

And, Meon, I have understood here initially that your appointment was. Was a temporary interim appointment.

00:50:04.000 --> 00:50:13.000

Are you now on board for a longer period? You know, clarification would be very helpful.

00:50:13.000 --> 00:50:14.000

Hey, I'll show up.

00:50:14.000 --> 00:50:29.000

Sure, no thank you, Roger. Maybe we could, offer a couple of, quick responses to, some of your questions on that last question.

00:50:29.000 --> 00:50:47.000

For my part. I am, I was originally due to stay through the end of this month the end of February and and I have extended that, by a bit.

00:50:47.000 --> 00:50:52.000

So I'll be, I'll be with the team here until towards the end of April, including through the point where Dr.

00:50:52.000 --> 00:51:14.000

Husk presents her her recommended budget. So, but you're right about the the vacancies we we we still have a vacant CFO position and a vacant budget director position where we're hoping that changes soon.

00:51:14.000 --> 00:51:35.000

And that we that we get. Those positions, filled. And in the meantime, Alexandra and Juno and I and and others are gonna try to support the CBRC as well as, as we can and, you know, from, from what I can tell, the team does a commendable job.

00:51:35.000 --> 00:51:46.000

Supporting the CVRC and hope that, you know, hope Everybody feels that way and gives us feedback, to the good or, you know, pointing out needs for changes or additional support.

00:51:46.000 --> 00:52:02.000

As far as the the issues about you know interpretations about the the changes that are in the winds with the tough budget cycle ahead.

00:52:02.000 --> 00:52:22.000

I agree with you. We have some. You know, unfortunate realities. We, I think all of us can agree we would all be better off and be happier if we, if we had funding from the state that was approaching or resembling the quality education model.

00:52:22.000 --> 00:52:31.000

I know the CBRC has spoken on that before. And in the meantime, we're trying to advocate.

00:52:31.000 --> 00:52:36.000

You know, to try to influence policymakers to move further, faster towards an adequate level of funding.

00:52:36.000 --> 00:52:56.000

And we have to Yeah, we have to whatever circumstances we have in a given budget cycle or 2 or 3 year period we have to make the adjustments that are needed to maintain our fiscal stability.

00:52:56.000 --> 00:53:10.000

And so all of those things are true at the same time and, and we're hopefully gonna do a good job of communicating about that and answering questions and working with, all of you.

00:53:10.000 --> 00:53:11.000

In that regard, so.

00:53:11.000 --> 00:53:15.000

Mr. Lee, I just want to ask here because I haven't seen the presentation in advance where we are in terms of your slides and our time.

00:53:15.000 --> 00:53:23.000

I'm sensitive that we have more questions. We want to give everybody a chance, but I also want to find out where we are with the presentation.

00:53:23.000 --> 00:53:31.000

We're quite early in this presentation. I was watching the clock to Maria. I see that we have De Shells hand up.

00:53:31.000 --> 00:53:35.000

And mo. So can we.

00:53:35.000 --> 00:53:40.000

Why don't we go to those 2 and then. Perhaps we can hold other questions to the end of the presentation.

00:53:40.000 --> 00:53:57.000

I don't know if any of those will be answered through the through the course here. But yeah, they shall.

00:53:57.000 --> 00:54:03.000

Thank you. So just one quick question.

00:54:03.000 --> 00:54:16.000

I'm in the sake of time. There was a. I just wanted to be sure that I was understanding that September.

00:54:16.000 --> 00:54:21.000

Thirtieth deadline for 20

00:54:21.000 --> 00:54:25.000

For where we speaking in regards to

00:54:25.000 --> 00:54:34.000

To spending down by September thirtieth or allocating by September thirtieth.

00:54:34.000 --> 00:54:46.000

The the funds have to be spent.

00:54:46.000 --> 00:54:52.000

Okay, thank you. And then my other question was, maybe this can wait for later or it can just be answered.

00:54:52.000 --> 00:55:04.000

I'm in the Q&A document. But, with the last time we, I think their last meeting or the one before we talked about the importance of getting the budget or the.

00:55:04.000 --> 00:55:08.000

In for communication out to schools about the summer learning.

00:55:08.000 --> 00:55:10.000

A little earlier.

00:55:10.000 --> 00:55:20.000

Than we've been seeing it in the past to increase engagement. And so just wondering when that deadline would be to get that out, obviously preferably before the springtime starts to come in too quickly.

00:55:20.000 --> 00:55:21.000

So maybe that won't be answered now, but hopefully we'll get to that.

00:55:21.000 --> 00:55:24.000

No.

00:55:24.000 --> 00:55:25.000

Me turn to you.

00:55:25.000 --> 00:55:45.000

Oh yeah, thank you. I'm just looking at the slide and I might miss this earlier but it's PPS this is the district's student enrollment gonna continue is it projected to continue declining by 1.5% or do we have a projection for like a different number?

00:55:45.000 --> 00:55:46.000

Potentially.

00:55:46.000 --> 00:55:50.000

Yeah, that's

00:55:50.000 --> 00:55:56.000

Question. I might, while the meeting is continuing, I'll try to pull that, pull that up.

00:55:56.000 --> 00:56:05.000

And, it is a It's a, I believe it's a published report from partners at Portland State.

00:56:05.000 --> 00:56:22.000

And just for clarification, though the 1.5% doesn't represent the rate of decrease it's just that that's Our enrollment, this over the past few years, has increased 1.5%.

00:56:22.000 --> 00:56:29.000

More than than the statewide average. So the actual number is, more than 1.5%.

00:56:29.000 --> 00:56:39.000

If you consider a kind of the, you know, the change over multiple years. So, but let me let me try to find the projection information.

00:56:39.000 --> 00:56:40.000

When, when I turn over the the speaking stick to to judo in a minute.

00:56:40.000 --> 00:56:49.000

Thank you for clarifying.

00:56:49.000 --> 00:56:57.000

Of course. Okay, so, maybe we can continue and this is kind of a complicated slide.

00:56:57.000 --> 00:57:01.000

So, I'll speak to this briefly. But basically this, shows over 3 years.

00:57:01.000 --> 00:57:18.000

The current year that we're in, 2324, 2425 and which is the budget year and the following year, 2526 in each of those pairs of numbers or pairs of bars, stack bar charts.

00:57:18.000 --> 00:57:47.000

The left hand side includes revenues. In the right hand side includes expenditures or costs. And so you can see the in the gold that those are those federal pandemic dollars the ESSER dollars that we were talking about for a few minutes there and then you can see the other kind of a legend on the right hand side, Title One.

00:57:47.000 --> 00:57:53.000

Which is federal dollars student investment account which are state dollars and then

00:57:53.000 --> 00:58:05.000

Fund which it's in that sort of darker blue. And in each case, in each year, the expenditures are quite a bit higher.

00:58:05.000 --> 00:58:27.000

Then the revenues. And so that kind of sets the stage for. Needing to make some decisions both about how we utilize our reserves and the need to reduce costs or revenues, but really.

00:58:27.000 --> 00:58:28.000

Most of the conversation is going to be focused on reducing costs.

00:58:28.000 --> 00:58:29.000

Hey, Shar, I see you have your hand up. Is that from our prior slide? And then.

00:58:29.000 --> 00:58:30.000

Oh, I think that's before.

00:58:30.000 --> 00:58:43.000

Okay.

00:58:43.000 --> 00:58:54.000

Okay, so. Well go on to the next slide for now.

00:58:54.000 --> 00:59:01.000

Okay, so this is just another look at some of the same data that was shown on the bar chart.

00:59:01.000 --> 00:59:07.000

Previous slide. So again, each in each of these years we're focusing on general fund on this slide.

00:59:07.000 --> 00:59:21.000

Not the special revenue funds. But within the general fund, we're looking at revenues that are quite a bit less than our projected expenditures, our projected costs.

00:59:21.000 --> 00:59:31.000

To the tune of 42 million in this current year 61 million next year and 73 million the following year.

00:59:31.000 --> 00:59:45.000

So that's a structural imbalance, a structural deficit. That we have to address. And then in terms of how we address it, that this will go on to the next slide.

00:59:45.000 --> 00:59:51.000

So you can see those same numbers in that top row.

00:59:51.000 --> 01:00:01.000

One of the primary strategies at least for 2 years this year that we're in and next year. Is to.

01:00:01.000 --> 01:00:08.000

Tap into our general fund reserves. I know CBRC has talked a lot about.

01:00:08.000 --> 01:00:19.000

This issue in the past. We, were in a pretty Good position coming into this year. So that's the good news.

01:00:19.000 --> 01:00:32.000

We began this year with a general fund balance of 105 million dollars. Which which is quite a bit higher than the minimum that's established by board policy.

01:00:32.000 --> 01:00:33.000

Which is in the low 40 million dollars range.

01:00:33.000 --> 01:00:34.000

About 5%. Of the district's total general fund budget. And so that's the board poll board, you know, sometime ago set a policy that said and every year the minimum reserve should be no no less than 5%.

01:00:34.000 --> 01:00:37.000

So Knowing that we began this year with quite a bit more than that 105 million dollars that gives us a bit of of maneuvering room if you will.

01:00:37.000 --> 01:00:44.000

To, to help bridge these tough years. So in this year, we have that, gap, naturally occurring gap of 42 million dollars.

01:00:44.000 --> 01:00:59.000

We are. Planning to draw down that 105 million dollar balance by about 32 million we want to take other steps.

01:00:59.000 --> 01:01:15.000

We actually have taken other steps to try to slow down our spending this year. For example, and primarily through a central office hiring freeze since December.

01:01:15.000 --> 01:01:32.000

So trying to slow down our expenses by about 10 million dollars and all of that will put us on track to end this year with the projected fund balance or ending ending fund balance or reserves of about 73 million dollars.

01:01:32.000 --> 01:01:51.000

And then going into next year. We, we will start with that amount. And we would project a an imbalance between revenues and expenses of 61 million if we don't do anything.

01:01:51.000 --> 01:02:05.000

So to address that we're proposing to draw down our fund balance further by another 30 million dollars or so.

01:02:05.000 --> 01:02:20.000

And to find ways to reduce expenses. And in some respect. Increase our revenues. Bye, 31 million.

01:02:20.000 --> 01:02:28.000

So that, that. Would address that 61.5 million dollar red number at the top row.

01:02:28.000 --> 01:02:41.000

And those those actions together will put us on track to end next year. With a projected reserve of 42 million.

01:02:41.000 --> 01:02:51.000

Which is just about the 5% minimum reserve that's established in. Board policy.

01:02:51.000 --> 01:03:02.000

Then the final column, 2526, we would still be facing a significant and growing gap between revenues and expenses.

01:03:02.000 --> 01:03:12.000

We will not have additional fund balance to tap into. Will already be at that 5%.

01:03:12.000 --> 01:03:28.000

Level and that would require additional reductions, even steeper reductions. And again, perhaps some revenue strategies in that third year.

01:03:28.000 --> 01:03:41.000

However, I will say that that we hope to have if we can maybe flip to the previous slide just for a second.

01:03:41.000 --> 01:03:58.000

Thanks Sandra. This number in the top right hand corner which says total revenue projected 2526 777 million dollars that that This year, 2526 will be the first year of the new biennium.

01:03:58.000 --> 01:04:18.000

And Let us all hope and act towards. Trying to make the case that the state should prioritize education more than than they have so far and make some meaningful progress towards this quality education model and if more revenue.

01:04:18.000 --> 01:04:25.000

Comes through in 2526. In other words.

01:04:25.000 --> 01:04:45.000

If that 777 million dollar projection here is exceeded. And the state actually provides more funding, say it's 800 million dollars or you know, 810 million dollars or what have you, then that would, that would dollar for dollar decrease this projected gap.

01:04:45.000 --> 01:05:01.000

Which would be you know, extremely helpful and important for, for us and our community and and other supporters of public education throughout the state to try to influence the state budget priorities that way.

01:05:01.000 --> 01:05:11.000

I know that was an awful lot of. Pro, probably kind of complicated and, you know, gloomy news.

01:05:11.000 --> 01:05:16.000

And so I really appreciate everybody. Hanging in there with this and with that I'm gonna turn it over to Gino.

01:05:16.000 --> 01:05:26.000

Good evening, everyone. So, and this slide, our goal over the last 2 years has been to really mitigate any impact to schools.

01:05:26.000 --> 01:05:33.000

And so we've been reducing central office supports and services by 40 million over the last couple of years.

01:05:33.000 --> 01:05:39.000

Based on our budget gaps, will impact for the next year, is unavoidable.

01:05:39.000 --> 01:05:57.000

Unfortunately, even with the additional central office reductions that are proposed. So unfortunately our budget gap means that over the next few years, like, Young just demonstrated PPS will experience a reduction in staff programs and services.

01:05:57.000 --> 01:06:02.000

In school and central office.

01:06:02.000 --> 01:06:13.000

Next slide, please. The following is, a slide is the impact on centrally based and centrally funded services.

01:06:13.000 --> 01:06:23.000

So these 3 years, last year this year and the budget year next year. So the central office, will experience.

01:06:23.000 --> 01:06:37.000

Staffing and budget reductions for the third year in a row. The previous year central office made over 30 million dollars and reductions to spare schools from funding cuts.

01:06:37.000 --> 01:06:46.000

And this school year during the middle school year we implement the hiring freeze like Young mentioned. And reduced in other non personal areas.

01:06:46.000 --> 01:07:00.000

Personnel areas. By about another 2 total about 10 million and savings. And then next year, there are proposed reductions for.

01:07:00.000 --> 01:07:09.000

15 million dollars in central office. So. This will be achieved to the greatest extent possible by.

01:07:09.000 --> 01:07:21.000

Decreasing non direct student facing staff. Central office operations and contracts with outside organizations. And we'll be providing more details.

01:07:21.000 --> 01:07:29.000

Next month yeah, I see Maria's hand up.

01:07:29.000 --> 01:07:30.000

Hi.

01:07:30.000 --> 01:07:35.000

Hi, Jano. So for context, 55 million dollars out of how much?

01:07:35.000 --> 01:07:39.000

What's the what's the total current budget for? The central office.

01:07:39.000 --> 01:07:43.000

That's a great question. I don't have that number off the top of my head, but I can get that too.

01:07:43.000 --> 01:07:47.000

Do you have a ballpark?

01:07:47.000 --> 01:07:58.000

So, yes, for, I have a percentage. We spend about 75% of our funding.

01:07:58.000 --> 01:08:11.000

That directly impacts students and directly impacts their education, their instruction, supporting, teachers and instructional staff out at the schools.

01:08:11.000 --> 01:08:21.000

The central office centrally funded portions. We're being reduced so that we can focus on, student facing staff.

01:08:21.000 --> 01:08:25.000

Ballpark. Figure, to you.

01:08:25.000 --> 01:08:33.000

I think it's about 220 to 250 million dollars. It sort of depends on the year.

01:08:33.000 --> 01:08:47.000

But, just also want to clarify that the, I mean, it's, set on the box there, but the 55 million cut, I mean, that's, that's a cumulative effect over 3 years.

01:08:47.000 --> 01:08:51.000

Understood.

01:08:51.000 --> 01:08:52.000

Thank you.

01:08:52.000 --> 01:08:53.000

Yeah.

01:08:53.000 --> 01:08:55.000

Thank you, that gives some important context there.

01:08:55.000 --> 01:09:25.000

Thank you. That's a great question. Thanks. Next slide, please.

01:09:25.000 --> 01:09:26.000

Office.

01:09:26.000 --> 01:09:27.000

Okay.

01:09:27.000 --> 01:09:48.000

Will, experience 15 million dollars as well as the schools. for the schools, that's about a 2% reduction and for central office will be about a 6% reduction.

01:09:48.000 --> 01:10:01.000

And this is not.

01:10:01.000 --> 01:10:06.000

The Si funding shifts.

01:10:06.000 --> 01:10:16.000

Next slide, please. And so, this is kind of our summary, but there is a lot more information that will be coming out, shortly.

01:10:16.000 --> 01:10:22.000

Class sizes

01:10:22.000 --> 01:10:26.000

That were returned in 20 in the 2122

01:10:26.000 --> 01:10:27.000

School year ratios. Due to

01:10:27.000 --> 01:10:37.000

Enrollment and by budget cuts. So the impacts will vary by school. And changes to staffing allocations at each school to support teacher planning time.

01:10:37.000 --> 01:10:44.000

That was built into the PET contract. And ensure state mandates are met for middle school PE.

01:10:44.000 --> 01:10:54.000

Streamlining and combining learning support services in schools and through the central office. Redirecting resources for social emotional and behavioral supports.

01:10:54.000 --> 01:11:02.000

Towards efforts that are that create a more consistent and high quality. Joyful learning experience for every student.

01:11:02.000 --> 01:11:10.000

And decreases in administrative and school operations.

01:11:10.000 --> 01:11:11.000

And I'll pass it to Alexandra.

01:11:11.000 --> 01:11:22.000

Thank you. So we are obviously in a challenging situation. We've been in a challenging situation year over year, reducing services at our school district.

01:11:22.000 --> 01:11:33.000

So, this slide is, detailing some of our proposed next steps. And advocating for a fully funded public education.

01:11:33.000 --> 01:11:44.000

So PPS calls on the governor and legislature to review and change the state school funding formula before the 2025 session where the biennial budget will be discussed.

01:11:44.000 --> 01:11:54.000

We are urging the state to fully fund the quality education model. Adjust funding to meet organs, urban schools, higher needs and costs.

01:11:54.000 --> 01:12:03.000

Remove the limit on the local option levy collections to increase rates without losing state school fund funding.

01:12:03.000 --> 01:12:11.000

So those are some of the. The cost to action that, our district is naming.

01:12:11.000 --> 01:12:14.000

And during the legislative short session, PPS is

01:12:14.000 --> 01:12:22.000

Advocating for specific funding initiatives. Including 41 million from the governor and legislature to cover the costs of our

01:12:22.000 --> 01:12:31.000

Labor partner agreements and boost the salaries of teachers and other staff. That the salaries of teachers and staff.

01:12:31.000 --> 01:12:37.000

50 million in statewide funding for summer programs. 22 million and early intervention and early

01:12:37.000 --> 01:12:49.000

Education, special education. And funds to expand school-based health centers, including more mental health providers. So this is another summary.

01:12:49.000 --> 01:13:00.000

And. And thinking about. You know, our next steps here.

01:13:00.000 --> 01:13:13.000

I'll pause now.

01:13:13.000 --> 01:13:21.000

There any questions. On this slide specifically and we are coming to the kind of closing out on this budget development update content.

01:13:21.000 --> 01:13:28.000

No.

01:13:28.000 --> 01:13:34.000

Oh yeah, thanks. Do you know how much it would take to fully fund the quality education model?

01:13:34.000 --> 01:13:43.000

The latest estimate was, I believe, 11.8 million, sorry, 11.8 billion for the biennium for this.

01:13:43.000 --> 01:13:52.000

Past biennium.

01:13:52.000 --> 01:14:08.000

And as you know, we came in short at, but at 10.2.

01:14:08.000 --> 01:14:11.000

That.

01:14:11.000 --> 01:14:20.000

Quality education model. 11.8 billion is going to you know, of course, increase, for the next biennium.

01:14:20.000 --> 01:14:38.000

I don't know. If, the latest numbers have been drafted out yet.

01:14:38.000 --> 01:14:42.000

Thank you.

01:14:42.000 --> 01:14:55.000

Roger, I see your hands up next.

01:14:55.000 --> 01:15:05.000

Yes, basically, quality education model usually has been roughly 2 billion, in excess of whatever.

01:15:05.000 --> 01:15:17.000

Legislature as appropriated. But, I, wanted to ask the question is this, presentation that we were just, given.

01:15:17.000 --> 01:15:18.000

Credible and if so are we at liberty to share it with others. Is it still a confidential to us?

01:15:18.000 --> 01:15:24.000

This is a public meeting and this is part of the public record. So, this can be distributed.

01:15:24.000 --> 01:15:27.000

Director Sullivan.

01:15:27.000 --> 01:15:33.000

No, this isn't really a question, but. We do have a levy on the bond measure coming up too.

01:15:33.000 --> 01:15:51.000

So just. Tell that everybody. No one support that. There's always more money we had, I guess.

01:15:51.000 --> 01:16:04.000

Question about enrollment projections. We have a fantastic colleague who's you know giving us some information as as he's monitoring the discussion here.

01:16:04.000 --> 01:16:10.000

Thank you, Sean. I think he's, I think he's watching on YouTube.

01:16:10.000 --> 01:16:14.000

But, but we, did get some information about those projections and it's, it's rather extensive.

01:16:14.000 --> 01:16:39.000

This is a full demographic study from Portland State, but I'll just share 1 one kind of glance of it, which is that over the next 5 years it looks like We're projecting about an 8% decrease in our total enrollment.

01:16:39.000 --> 01:16:56.000

And that's, and that. Looks like for the following 5 years. The rate of decrease will slow a bit but, but still not, we're still not.

01:16:56.000 --> 01:17:05.000

Projecting to recover. Our enrollment. To kind of, you know, start. Trending upwards again in the whole.

01:17:05.000 --> 01:17:21.000

Forecast period which goes out basically almost in another 15 years. So, decreasing over the next 5 years, slowing down, like approaching, kind of a stable level.

01:17:21.000 --> 01:17:29.000

For the following 5 to 10 years That's how it's looking. And Alexandra, maybe we could get the.

01:17:29.000 --> 01:17:36.000

That this demographic study, How to committee members has a follow up.

01:17:36.000 --> 01:17:43.000

Yeah, that's great.

01:17:43.000 --> 01:17:52.000

So there is more to come, as we've noted multiple times in this presentation. We're early in the process.

01:17:52.000 --> 01:17:59.000

So more updates for CDRC. I don't see any other hand raised.

01:17:59.000 --> 01:18:13.000

Right now, so I think we can shift over to our local option levy. Content, which is an overview of Google option.

01:18:13.000 --> 01:18:16.000

And you know, I'll pass it over to you.

01:18:16.000 --> 01:18:27.000

Awesome, thank you. Alright, next slide, please.

01:18:27.000 --> 01:18:42.000

Thank you. So what we have here is the in the fiscal year 2324 we adopted a general phone budget that included around 115 million for our local option levy.

01:18:42.000 --> 01:18:56.000

That's nearly. 14% of our general fund resources. Current estimates, it is important to note that our current estimates are coming in a little bit lower at a hundred 9.

01:18:56.000 --> 01:19:06.000

So. That reflects lower property values. Mostly in downtown Central. Central city.

01:19:06.000 --> 01:19:18.000

Next slide, please. And so a little bit of background for the local option levy last couple of decades.

01:19:18.000 --> 01:19:30.000

Portland voters have shown their support. For strong schools and educational programs. By approving and renewing the local option levy to fund PPS schools.

01:19:30.000 --> 01:19:41.000

The latest local option levy approved in 2014 and renewed in 2019 with a 77% approval.

01:19:41.000 --> 01:19:48.000

And is up for renewal again on the May, 2024 ballot.

01:19:48.000 --> 01:19:55.000

And we wanted to note that the local option levy is in addition to the state school fund formula. So these are.

01:19:55.000 --> 01:20:04.000

Additional dollars that we will be getting. Not built into the formula.

01:20:04.000 --> 01:20:14.000

The local option levy, maintains an existing tax rate of a dollar 99 per 1,000 of assess value.

01:20:14.000 --> 01:20:26.000

So for a home with assessed value. Not real market value, but assessed value of 250,000, it would cost about 41 50 per month for that family.

01:20:26.000 --> 01:20:33.000

498 per year. So if we If we think about.

01:20:33.000 --> 01:20:53.000

Current kind of housing prices that it be basically double that around. \$500,000 for a house would be 83 per month or nearly a thousand per year for And then the levy funds are placed in the sub-account with under the general fund.

01:20:53.000 --> 01:20:59.000

We have a separate fund. 107 that is aggregated into the general fund and that's where we.

01:20:59.000 --> 01:21:04.000

House those dollars.

01:21:04.000 --> 01:21:14.000

Next slide, please. Thank you. Near the end of the school year, levy funds are calculated and based on, the average teacher cost.

01:21:14.000 --> 01:21:28.000

The number of teachers paid by the funds are determined at that point. So for example, with our current estimate of 109 million, collected this year, the, and the average teacher salary plus benefits is About a hundred 41,000.

01:21:28.000 --> 01:21:40.000

So, that. Then it will be about 773 teachers. To be funded out of the local option levy.

01:21:40.000 --> 01:21:53.000

Again, we have some recent information. Since the budget was adopted, that's signaling, downward trend and local option levy.

01:21:53.000 --> 01:22:03.000

So in our previous reports. We've had anywhere from 825 to 850 teachers.

01:22:03.000 --> 01:22:11.000

Being funded out of the local option levy. So that downward trend. Coupled with the increased cost of salaries and benefits.

01:22:11.000 --> 01:22:20.000

It reduces that amount of teaching positions that would be supported by this revenue source.

01:22:20.000 --> 01:22:23.000

Next slide, please.

01:22:23.000 --> 01:22:38.000

The local option, levy requires independent oversight, by the community budget review. To ensure that the levy dollars are used only for the purpose approved by local voters.

01:22:38.000 --> 01:22:42.000

PPS staff provide CBRC members with the report to verify the projected number of teachers funded by the local option levy.

01:22:42.000 --> 01:22:54.000

Usually near the end of the year. And then there's a link on this slide, to the prior years.

01:22:54.000 --> 01:22:59.000

Report as well.

01:22:59.000 --> 01:23:06.000

And next slide please. Thank you. So in summary, the CBRC is the oversight body for the local option levy.

01:23:06.000 --> 01:23:12.000

Again, it's calculated on, the assessed property values, not enrollment.

01:23:12.000 --> 01:23:21.000

And is separate and in addition to. The state school fund grant. Again, the local option levy pays for.

01:23:21.000 --> 01:23:30.000

About a quarter of our classroom teachers and it's. Critical funding source for PPS.

01:23:30.000 --> 01:23:44.000

Any questions?

01:23:44.000 --> 01:23:46.000

Roger.

01:23:46.000 --> 01:24:00.000

Well, it's actually going down. What the local option levy based on this report. And, as,

01:24:00.000 --> 01:24:10.000

Listed for us. We roughly were paying about a third, but now we're only paying.

01:24:10.000 --> 01:24:24.000

And, as much acknowledged. We're asking the the short session. That's in session right now in Salem.

01:24:24.000 --> 01:24:35.000

To, to lift the cap on, on the on the rate here the 4. The district has been lost.

01:24:35.000 --> 01:24:48.000

To the because, it, likely gets us into what is known as compression. And, and then we end up having to pay back those.

01:24:48.000 --> 01:24:57.000

There's a state. And so on. So, I presume that the board is proceeding in May.

01:24:57.000 --> 01:25:04.000

To renew this levy. At the current rate. And,

01:25:04.000 --> 01:25:09.000

We'll see where it goes from there. But.

01:25:09.000 --> 01:25:20.000

Yeah, I would like to see it. The cap for. Right, whatever. So.

01:25:20.000 --> 01:25:39.000

Can I offer a clarification on that? Graduate the partly largely because of some analysis about the timing, of when that cap will come into play.

01:25:39.000 --> 01:25:47.000

And the fact that our revenue projections are now quite a bit lower unfortunately than we. You know, until fairly recently thought.

01:25:47.000 --> 01:25:59.000

The, the, Doesn't we don't we no longer expect the cap to be a factor for the next several years.

01:25:59.000 --> 01:26:26.000

We wish that it things were different, but we no longer, forecast that way. And so in light of that, were actually in the board, has, has, has concurred with this direction to hold off on sponsoring or seeking a sponsor for a bill to to change the cap in the short session and to hang on.

01:26:26.000 --> 01:26:44.000

This question until the full the next biennial session because it's you know unfortunately it's it's not as urgent as as we thought it would be and frankly as we had hoped it would be.

01:26:44.000 --> 01:27:01.000

And then, I see director Solvit's hand, but I also just wanted to clarify that the referral of the measure to be placed on the on the ballot in May that is on deck for the boards meeting next Tuesday.

01:27:01.000 --> 01:27:08.000

So it actually hasn't happened quite yet, but it's it's about. It will happen soon, I think.

01:27:08.000 --> 01:27:09.000

Directly to Sullivan.

01:27:09.000 --> 01:27:20.000

Yes, and we did do a survey too to see about possibly raising. The amount

01:27:20.000 --> 01:27:27.000

And survey came back, we better leave it like it is if we want to get it passed. So.

01:27:27.000 --> 01:27:35.000

And also they are they will be working in the longer session. To get. That cap taken off too.

01:27:35.000 --> 01:27:50.000

For the future.

01:27:50.000 --> 01:27:58.000

Are any other questions or comments? Is the seat of the local option? Let me overview or

01:27:58.000 --> 01:28:02.000

Other questions on the content? Stefan.

01:28:02.000 --> 01:28:23.000

Yeah, just wanna, be, I just wanna, some sort of for shadow but part of our job is later this this cycle is to write a letter with details the use of the local option that be so that's something that will do I think of the spring and come back to.

01:28:23.000 --> 01:28:41.000

So I think this is this is important to understand like what the revenue raised and revenue su and what our role is in terms of.

01:28:41.000 --> 01:28:43.000

Yeah.

01:28:43.000 --> 01:28:51.000

Yeah, I wanted to ask about the estimate on the per teacher cost with with benefits is that I take it that's under the new contract and How was that number changed?

01:28:51.000 --> 01:29:00.000

Since last year in terms of the number the teachers are supported and local option lobby.

01:29:00.000 --> 01:29:16.000

Yes, I have the average costs. So for example in, For fiscal year 24, so this fiscal year, our average.

01:29:16.000 --> 01:29:27.000

Teacher is about 1 33. That's total cost including. Associate payroll costs, fringe and health insurance.

01:29:27.000 --> 01:29:31.000

And in.

01:29:31.000 --> 01:29:39.000

Fiscal year 25 it's about 1 41 So it did take a quite a bit of a jump from one year to the next.

01:29:39.000 --> 01:29:51.000

That also does include, a step if, they are eligible for the step and then the, increase both to this year and and next year to the colis.

01:29:51.000 --> 01:29:57.000

So that's why there's quite a bit of a significant jump between. The years.

01:29:57.000 --> 01:29:58.000

Does that answer your question? Okay.

01:29:58.000 --> 01:30:07.000

Thank you. It does. I was just wondering actually the number I could do the math on it but the number of teachers that no longer covers.

01:30:07.000 --> 01:30:15.000

Gotcha. Let me do that math real quick. Well, if anybody wants to. Talk and I can get back to you in just a little bit.

01:30:15.000 --> 01:30:29.000

I think it's just useful as Stephen, as Stephan mentioned in terms of thinking about our budget letter and what's being covered with the local option levy.

01:30:29.000 --> 01:30:30.000

Right.

01:30:30.000 --> 01:30:39.000

Yeah, Mariah, shorten your, research. It's in our report though to the board.

01:30:39.000 --> 01:30:44.000

Each year. And so all you have to do is link up.

01:30:44.000 --> 01:30:51.000

Report that it gives the average salary and benefits.

01:30:51.000 --> 01:30:53.000

Organization for funding.

01:30:53.000 --> 01:30:56.000

Thank you, I just didn't have that off the top of my head. Appreciate it.

01:30:56.000 --> 01:31:26.000

We, I would name that in the prior year for your prior report. That was before our, Contract with PAT, which increased their Wage so that it would actually be different number that you see in the prior report compared to the 1 33 that you know just named.

01:31:35.000 --> 01:31:44.000

There any other questions or comments right now?

01:31:44.000 --> 01:31:55.000

So I'm seeing. Just back of a napkin. Here, I'm seeing.

01:31:55.000 --> 01:32:20.000

Of 46 FTE drop. Between the between this year and next year. Between this year, yeah, between this year and next year.

01:32:20.000 --> 01:32:36.000

Hey, if there are no other comments or questions on local option levy. There will be more to come on this, as Stephan rightly noted, we, CBRC plays a really key role.

01:32:36.000 --> 01:32:50.000

Oversight for this. So more information to come and we will be providing you with information to assess. Local option as part of this budgeting cycle.

01:32:50.000 --> 01:33:05.000

So that was, that concludes the content that we wanted to cover. Now we can, shift to, or a question and answer from the committee if there was anything else for the good of the order.

01:33:05.000 --> 01:33:15.000

I'll remind you that we have a form for your questions and always feel free to use the form that I've sent or Email me.

01:33:15.000 --> 01:33:25.000

Either way is fine. And I know that will ramp up as we start to share more information and, progress in our budget cycle.

01:33:25.000 --> 01:33:41.000

So Maria, anything, else from you for question and answer, and then otherwise I can turn it over you over to you to close us out.

01:33:41.000 --> 01:33:45.000

I don't have any other questions at this point. I'll have many as we go through this.

01:33:45.000 --> 01:33:58.000

I know we all will. Wanna thank Director Sullivan for being here tonight. And, welcome your thoughts before we close if you have any.

01:33:58.000 --> 01:34:06.000

Well, just that I am really glad to be here and I learned so much from being here and just appreciate everybody.

01:34:06.000 --> 01:34:17.000

And your time and commitment and knowledge and. Yes, that's it. Just really appreciate you.

01:34:17.000 --> 01:34:22.000

Thank you. And just to highlight this work, you know, really impacts her. Things at the school level, you know, the staffing ratio is there.

01:34:22.000 --> 01:34:30.000

You know, I've got one child who's a first grader in a class of 30.

01:34:30.000 --> 01:34:40.000

My seventh grader is in a class of 39 in his math class. So we're really really seeing and feeling the the impacts of this and the choices that are made.

01:34:40.000 --> 01:34:45.000

So I appreciate the input that's provided here.

01:34:45.000 --> 01:34:49.000

That's all for me this evening. Thank you.

01:34:49.000 --> 01:35:06.000

Hey, thank you all very much. I appreciate this committee. Great to spend time with you again and we'll see you again either Tuesday at the boardwork session if you choose to attend an optional and otherwise we'll plan to see you on March fourteenth.

01:35:06.000 --> 01:35:08.000

Thank you so much.

01:35:08.000 --> 01:35:10.000

Thank you.

01:35:10.000 --> 01:35:11.000

Thank you.

01:35:11.000 --> 01:35:12.000

Thanks everybody.

01:35:12.000 --> 01:35:13.000

Thank you all.

01:35:13.000 --> 01:35:14.000

Thank you.

01:35:14.000 --> 01:35:15.000

Thank you.

01:35:15.000 --> 01:35:16.000

Thank you

01:35:16.000 --> 01:35:25.000

Thank you.