

CBRC 04.30.2020

30 April 2020 / 6:00 PM / ROOM: Virtual Hangout (Meets)

CBRC MEMBERS PRESENT

Thomas Lannom (Vice-Chair), Sara Kerr (Vice -Chair), Betsy Salter, Judah McAuley, Roger Kirchner, Parker Myrus, Jennifer Samuels, Leesha Posey, Jeff Lewis, Brad Nelson, Judith Solomon, Tastonga Davis, Christine Pitts, Irina Phillips, Krystine McCants, Betsy Salter, Parker Myrus (Student Representative).

PPS STAFF PRESENT

Eilidh Lowery (Board Director - Liaison), Claire Hertz (Deputy Superintendent), Cynthia Le (Chief Financial Officer), Nicole Bassen (Budget Manager), Shanice Clark (Community Engagement Director), Yasury Valdez (Confidential Executive Assistant).

AGENDA

1. Welcome and Introductions: 6:00 p.m. - Sara Kerr & Thomas Lannom
2. Overview of the COVID-19 Budget Impact: 6:10 p.m. - Claire Hertz
3. Proposed Budget Process Update: 7:00 p.m. - Cynthia Le
4. Review and Approval of January 16, 2020 Meeting Minutes: 7:15 p.m. - Sara Kerr & Thomas Lannom
5. Budget Report Framework: 7:30 p.m. - Sara Kerr & Thomas Lannom
6. Wrap-up & adjourn: 8:00 p.m.

1. Introduction

Sara welcomed and thanked everyone for their ability to come together, via virtual meeting, She reminded the members that our governments are feeling acutely the dramatically changed budget climate, and reminded everyone that it will be more constrained with the growing student needs in our District. Mainly the ones that are being more impacted by the COVID-19 virus.

Thomas reminded the committee that previously they were working on the bylaws but Sarah and Thomas have decided that they are suspending the work of the bylaws for now to focus on the budget. PPS staff were asked to work on a presentation on budget updates and the next steps.

2. Overview of the COVID-19 Budget Impact (Presentation is in CBRC Agenda Items folder)

Claire Hertz, Deputy Superintendent of Business and Operations shared that as of 4/30/20 we had sent the proposed budget book to be printed and everybody will get a copy of it.

We based the proposed budget on the outdated \$9.0 billion biennium funding level, before the pandemic event. It included the full SIA and the M98 (measure 98) funding, etc.

COVID-19 has caused a state revenue shortfall. There is a high number of unemployment and lottery funds are down because of the bar/restaurant closures. The governor ordered a hiring freeze for SIA state funding.

After the May 20 economic revenue forecast from the state, the district will receive the new funding levels from the Oregon Department of Education (ODE) sometime in June. Once we know the new funding levels, we will submit an amendment for the budget to the board in the new fiscal year. However, the board must adopt the appropriations and tax levy rates before June 30 so that the district can operate by July 1st.

The district's first stimulus payment is coming through, but education advocates are asking for a second stimulus package for education. The district will need to make reductions to the general fund to balance the budget. There are also reserves but they will not be used all at once.

The district may not receive full funding for the Student Investment Act. The district has been asked to make increment reduction estimates, 25%, 50% and 75%. M98 (Measure 98) is starting at 100 percent but will drop by 10% increments down to 50%, because 50% has been embedded for multiple years into the process. We are looking at multi-tiers of reductions. We estimated to have \$8.7 million through the CARES Act.

The district will apply to FEMA for reimbursement. As of this moment we are prioritizing tiered reductions, along with a hiring freeze for 2019-20 and also for 2020-21. Instead of hiring we will be "placing" people.

The economists are saying there is a \$3 billion shortfall at the state level. That would equate to about \$88 to \$89 million for Portland Public Schools District. The first offset to that is the \$8.7 million from the feds that doesn't go very far, that's about 10%. But by statute, we must submit a balanced budget.

That concludes the most important information from Claire Hertz' presentation. The presentation can be found [here](#).

Q & A opportunity

1. In a time when we know there will be substantial learning loss that many students will have in the fall and the increase need for more social, emotional learning and health support related to social distancing and Covid 19, how is the district approaching at reducing FTE when instructional time will be key, and the need for more nurses, more counselors?

Answer: When 80 percent of our budget is people, and when you look at the bulk of where those dollars lie and we are looking at a 17 percent reduction, that leaves 3 percent, if we took everything else out , every piece of paper, every computer, every book, if we took all those things out we have 3 percent available to us. If we kept all of our people that wouldn't cover what we need to run buses, wouldn't cover just keeping the lights on, and keeping our schools warm. So there are bare necessities you have that come out of 20 percent of the budget, the board decides how much of a contingency we need to have, a fund balance is a goal that is set by the board, but that can only be used once. The needs are there.

2. Has the district started recognizing that it will be inevitable to cut FTE? Has there been any discussion strategies to mitigate how that is felt? Salary freezes instead vs layoffs? re-examining the last in, first-out policies? As we know more experienced teachers are most expensive, so that we can use that and potentially make fewer cuts? I also think from a perspective of staying true to our PPS (Portland Public Schools) values, we started to build momentum to recruit teachers of color.

Answer: Because of our teacher union, seniority is something we need to consider for when we do cuts and hiring is on a freeze.

3. It's almost impossible to know what the impact will be on student learning, and students falling behind, are you collecting information from the teachers to know how much remediation is needed to be done?

Answer: Teachers have been following up with their students, making sure the families have housing, food, internet... there are still students we need to find. Due to the economic status some families have had to move. So we know our communities are being affected, teachers are connecting with the families. Right now our priorities are ensuring seniors graduate, help those who need credits to graduate. In the fall we have the MAP assessment and will be given to see where students are at. Our teachers are getting better at distance learning. We know that we will work hard in the fall to assess our students and do efforts to get them back on track.

Answer: (Director Lowery) We still do not understand what fall will look like, there are different ideas for how it will work, we just don't know, social distancing, online learning, staffing, and emotional support, all is unknown now. The one thing that gives me hope is that superintendent has always named the visionary possibilities that are leading us forward, like we are a 1:1 device district, students have access to the internet, so no matter what this

crazy fallout is of this unknown coronavirus situation, Guadalupe can always see the potential of what our vision is for this graduate portrait of this district that really serves all students well.

4. Teacher salary reductions are totally off the table. Can PPS and PAT not negotiate to the new MOU to pivot to the new reality? This is asking from being married to a PPS counselor and salary cuts are better than layoffs.

Answer: This involves negotiation, bargaining, we would have to talk to our employee associations to look at those savings, also recognizing, none of us want to lose any of our teachers, and teachers have a relationship with their students, and we would love to keep all of them, but we don't know what will be possible. We are doing our best to bring forward our kids, that means doing our best to work with our employee associations.

5. Are we realizing any type of cost savings at the moment, since schools are closed, are there things that aren't happening as planned and savings that we will be able to repurpose or roll over?

Answer: Yes, we have suspended all purchasing, and we have a hiring freeze but at the same time, we are purchasing hotspots for students... so there are definitely things that we are spending on and saving on, it's a balance.

6. Since the buildings are closed, our custodians are trying to keep them clean but is the district able to work on any of the deferred maintenance while the buildings are closed?

Answer: So the first couple weeks we sent everybody home, just to keep exposure down, our maintenance crews were just responding to emergency orders, so they were only working when things were needed. Our custodians are walking the building every day to make sure things are being taken care of daily. Since teachers and students aren't returning to schools, the custodians will start on their summer cleaning much earlier and our maintenance will also start earlier on those backed up orders.

7. What does PPS plan to prioritize right now and how do those align with the district's core values around equity?

Answer: So we are still focused on our five system shifts and our district goals and framing our work in the racial equity and social justice lens as we are reducing and we are looking at what we are prioritizing in our budget.

8. Are there crisis teams?

Answer: We have an emergency operations core team that has been responding to all the immediate work, like closing and getting distance learning going. We are looking at 3 options: In person learning , blended learning, and distance learning. We are also

collaborating across the country with our peers, on how it will work in the fall, including summer.

9. What's our work to do now?

Answer: (Director Lowery) Your support as a committee is important, philosophically think through those cuts will be helpful to the board, so thank you!

Answer: This team should help us refine our focus when we look at reductions

10. How is the district communicating with schools about their budget?

Answer: We've shared in Board meetings, we have a meeting with principals and we'll give them as much information as we can or have. It's a "we think".

11. What's the plan for the return of textbooks and teacher classroom sets?

Answer: We will have a closeout processes plan for textbooks, athletics, musical instruments, even though it's not a priority. It's going to be a part of our reentry process, how we close out this year and how we plan for summer and for return of fall.

12. Is the district able to incentivize any early retirements in lieu of layoffs?

Answer: That is also a negotiated item, sometimes there are reasons to do that sometimes there are not.

13. Do you intend CBRC to be involved with budget amendments?

Answer: The intent of CBRC is to end at the adoption, but certainly, we'll make sure you hear the results at the end, but the amendments, it depends on whether it goes to the board. For sure there will be a public announcement.

END of Q & A

** Vice chair Thomas, would like for CBRC, if there are changes in the budget, to be reached out to be informed of any changes instead of hearing it through the media.*

3. Proposed Budget Process Update presentation

Cynthia Le went over key dates and reminded everyone that she had sent over the local option levy information, and staffing ratios that would normally be sent out around this time every year.

CBRC will listen in the May 26th meeting, and on June 4th CBRC will deliver their Report to the Board Office.

Board Goals have the RESJ lens embedded in them.

The CBRC would like to be weighing in on the budget with reductions and cuts

We developed the budget for 2020-21 aligning to the Board goals and the five system shifts.

Parker recommended the district provide the CBRC regular financial outlook and staffing changes, particularly when it is affecting school's staffing.

The Meeting adjourned at 9:00 pm