



PORTLAND
Public Schools

Discretionary Spending Controls in 2025-26

Dear PPS Staff,

As we begin the 2025-26 school year, the initiative to monitor discretionary spending is still a priority. Throughout the budget development process, a reduction of \$40 million was required to balance the 2025-26 budget and another large deficit is currently projected for the 2026-27 school year. **As long as there are reductions ahead, the current practice for spending control will remain in place.**

Please prioritize fiscal responsibility and saving. Every dollar we conserve now will directly help reduce the deficit and support essential services. Essential department expenses require clearance by the department chief before proceeding. Department leaders will closely review all spending requests to ensure they are absolutely required and cannot be reduced or deferred.

Purchases for school supplies, equipment, and student facing activities should be prudent but do not require Chief approval. Student Body Funds do not require Chief approval but are subject to [district guidelines](#). Position vacancy savings has already been anticipated as part of the budget development process and will NOT be available for conversion in 2025-26 without CFO approval. Capital expenditures will be facilitated by OSM staff in accordance with bond compensability under the appropriate ballot title.

Ongoing Spending Controls:

Non-essential spending continues to be on hold for General Fund (101), other Non-Restricted Grants (191, 299 and 251). The categories of expenditures are frozen or under strict control until further notice include:

- Staff Travel (business trips, conferences, workshops – unless grant funded or deemed critical and pre-approved). Employees that have a PD fund balance and meet the requirements of the CBA may be approved.
- Office furniture purchases must be approved prior to order/replacement(new furniture or equipment that is not absolutely necessary for operations).
- Contracts and Consultant services up for renewal and extension require a review of value, scope reduction, and/or pricing renegotiation.
- Staff food purchases will be paused until further notice (catering, staff meals, refreshments for meetings, and similar discretionary food expenses). Student and Family engagement focused activities following policy, processes, and procedures may continue. Purchases using designated grants must be approved, if allowable.
- Pause and rightsize every supply, material, and technology purchase.
- Student transportation for field trips and single-student requests will be coordinated with transportation and may be limited due to budgetary constraints. **Field trip annual budget totals from the General Fund will be communicated by Transportation - it is not unlimited.**
- Technology and major purchases should be very limited at this time (with the exception of buildings using discretionary funds to purchase cell phone bags).

Contingencies:

The budget deficit outlook requires careful planning to reserve contingencies to navigate unplanned issues that arise during the year. There will not be additions to FTE or discretionary spending allocations beyond what is in the current budget unless additional resources are identified. The budget will not accommodate additions, only trade-offs between that prioritize and encourage flexible operational strategies. Mid-year additions will require current year budget reductions of another item of equal or greater value.

Division Chief Pre-Approval Requirement for Purchases and Contracts

Division Chiefs will be required for contracts and amendments moving forward. The Purchasing & Contracting department will not process contracts or purchases without a chief's written approval. PCard transactions without proper pre-approval will result in a cardholder infraction. Chiefs may pre-approve a spending plan if it includes details such as vendor, amount, and description.

Shared Responsibility and Next Steps:

Your cooperation and diligence are appreciated. Together, we can navigate this deficit and put PPS on a more stable financial footing.

If you have questions or need clarification, please contact your supervisor, [Tami Booth](#), Budget Director, or [Rachel Hopper](#), Sr. Director of Finance. We are here to support you in implementing these measures successfully.

In Partnership,
Michelle Morrison,
Chief Financial Officer



Portland Public Schools

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Portland Public Schools aspires to graduate compassionate, critical thinkers who are able to collaborate to solve problems, and lead a more socially-just world. Central to this goal is affirming and operationalizing our deeply held community value of racial equity, social justice and inclusion.