

Finance, Audit and Operations Committee Meeting
September 26, 2017
3:00 pm
Board Auditorium

1. State School Fund and Revenue Estimate
2. Budget Amendment #1
3. Leveled Threat Assessment
4. Staffing Update and Discussion
5. Next Steps



2017-18 Revenue Update

SEPTEMBER 26, 2017

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2017-18 State School Fund Grant

General Fund USD in Millions	Actual 2016-17	Adopted Budget 2017-18	September Update Budget 2017-18	Change
Biennium	\$ 7,376.0	\$ 8,100.0	\$ 8,200.0	\$ 100.0
State School Fund Grant (SSF)	\$ 3,747.1	\$ 4,050.0	\$ 4,100.0	\$ 50.0
Beginning Balance	\$ 37.8	\$ 19.9	\$ 21.0	\$ 1.1
Property Taxes(current/prior/penalties)	\$ 218.2	\$ 222.2	\$ 222.6	\$ 0.4
Common School Fund	6.2	6.2	6.0	(0.2)
Other	0.3	0.3	0.3	0.0
State School Fund Grant	201.6	230.4	229.5	(0.9)
Prior Year adj.	0.5		(0.9)	(0.9)
Total SSF Formula Revenue	\$ 426.8	\$ 459.1	\$ 457.6	\$ (1.5)
Total Non-SSF Formula Revenue	\$ 135.7	\$ 138.4	\$ 138.4	\$ -
Total Resources	\$ 600.3	\$ 617.3	\$ 616.9	\$ (0.4)

- Increase in EFB and property taxes offset by Prior Year Adjustments

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Board of Education Informational Report

MEMORANDUM

Date: September 21st, 2017

To: PPS Board of Directors, Finance, Audit and Operations Committee

From: Mei Lee, Chief Financial Officer and Ryan Dutcher, Finance Office

Subject: Amendment 1 Detail – by Line Item

Department	Fund	FTE Increase	FTE Decrease	Gen Fund Increase	Gen Fund decrease	Fund 407 increase	Short Description	Extended Description	Rationale for Amending
Finance	General Fund	0.00	(1.00)		(\$120,525)		Salary & Fringe	During budget development, a position was included in two departments. This change removes the duplicate role.	Budget Adjustment
Curriculum & Instruction	General Fund			\$500,000			Gear Up Transition	Pending the termination of Gear Up, PPS is preparing to cover up to \$500,000 from General Fund for FY 18 to continue these services to students.	Continuity of Valuable Services to Students
Curriculum & Instruction	General Fund			\$500,000			Title IIA Shortfall	Changes in the funding of Title II, combined with the elimination of Hold Harmless provisions under No Child Left Behind, contributed to a substantial shortfall in Title IIA funding.	Continuity of Valuable Services to Students
Curriculum & Instruction	General Fund	6.00		\$649,462			OTL Re-Org	This transfer reclassifies six Literacy Coaches, budgeted as Direct Instruction to their correct appropriation level, to Student Support. There is no change to the work being done While this represents a change in the adopted budget, it is not a change in the work being done by the Literacy Coaches.	Budget Adjustment
Curriculum & Instruction	General Fund		(6.00)		(\$649,462)		OTL Re-Org	See above	Budget Adjustment
Early Learner Programs: P-3	General Fund			\$56,000			NAYA Contract Continuation	This change reinstates the NAYA contract that was cut during budget reductions.	Continuity of Valuable Services Early Learners
Equity & Partnerships	General Fund	0.00	(0.50)		(\$35,837)		Salary & Fringe	The Equity and Partnership department received a temporary 0.50 FTE while awaiting grant funding. Now that grant funding has been confirmed, this change removes the funding from the General Fund.	Budget Adjustment
Facility Services Center	General Fund			\$167,369			Maintenance/Custodial Reorganization	The Maintenance/Custodial reorganization was incorrectly excluded from the FY17/18 budget. This correction adds this funding back into the budget.	Correction
Maintenance Services	General Fund			\$492,781			Maintenance/Custodial Reorganization	The Maintenance/Custodial reorganization was incorrectly excluded from the FY17/18 budget. This correction adds this funding back into the budget.	Correction
Information Technology	IT Systems Project Fund					\$45,066	Techsmart project - Interfund transfer	PPS has an obligation to grant match our TechSmart grant. Fund 407 is short of the required match, and necessitates an Interfund Transfer from 101 to 407.	Correction
School Related Program Costs	General Fund				(\$1,000)		Remove excess funds from department	Removes one-time adjustment carried forward from previous year.	Correction
Office of Teaching & Learning	General Fund	1.50		\$256,000			Ockley Green Resources	An instructional coach and STEAM teacher (1.5 FTE) were added to Ockley Green in addition to \$106,000 in funds for peer mentors, volunteer supplements and PD.	Improve School Performance
Risk Management	General Fund			\$750,000			Reduce Premim by Increasing Deductible Insurance Loss by \$750,000	This change increases both deductible insurance loss accounts to a budgeted amount of \$750,000 each. Liability Claims is currently funded at \$400,000 and Property/Fire Loss is currently funded at \$350,000.	This change will provide sufficient coverage, while reducing our insurance premiums.
School Related Program Costs	General Fund			\$195,468			Mileage Reimbursement	Aligns the budget to more correctly reflect mileage reimbursement expenses.	Budget Adjustment
School Related Program Costs	General Fund			\$10,000			PFSP Contractual Agreements	Aligns the budget to more correctly reflect PFSP contractual agreements to cover \$7,000 for OT, PT, COTA, and LPTA professional development.	Budget Adjustment
SPED	General Fund	1.00		\$197,000			Threat/Safety Supervisor	Leverages the work of other districts to create a threat assessment system and wraparound supports. Uses an evidence-based, multidisciplinary approach to identify, evaluate and support students who present a potential threat to themselves or others.	Enhances Student Safety; Leverages Peer Oregon District Efforts
Student Transportation	General Fund			\$378,871			Youth Pass Allocation	Covers an unforeseen shortfall created when the City of Portland included David Douglas and Park Rose in the Youth Pass allocation program. This change reduced the amount of funding for PPS, creating a budget shortfall of \$378,872.	Continuity of Valuable Services to Students
Superintendent Of Schools	General Fund	2.00		\$390,000			Chief Academic Officer	Funds the role of Chief Academic Office, and includes FTE expense for the CAO and an assistant.	Budget Adjustment

Gross Changes	10.5	(7.5)	\$4,542,951	(\$806,824)	\$45,066
Net Add to General Fund from Contingency	3.0		\$3,781,193		



Board of Education Informational Report

MEMORANDUM

Date: September 22, 2017

To: Board of Education Finance, Audit and Operations Committee

From: Mary Pearson, Director of Student Services

Subject: Overview for Leveled Threat Assessment Plan

PPS has stated that student safety is their number one priority. The Superintendent has supported this with FTE and professional development funding across the district in order to implement a comprehensive leveled threat assessment plan. PPS is now working in collaboration with Salem-Keizer schools who have developed a highly successful leveled threat assessment plan.

During the 2017-2018 SY the Student Services department will design, coordinate and implement a comprehensive leveled threat assessment process. This will be implemented through a systematic roll out of professional development, follow up support, school team development, community stakeholder training, and data collection. By the end of the school year, our goal is to have all school teams trained in order to implement our leveled threat assessment process district-wide. An extensive communication plan will accompany the new process in order to have all staff and community stakeholders on the same page.

By implementing a leveled threat assessment plan, our staff, students and buildings will be prepared to identify threats more accurately and respond to threats with more information. They will also be able to identify supports they need in order to ensure the safety of all students and staff in our buildings.

Threat Assesment Budget planning document										
2017-2018										
			FTE	FTE cost	Supplies	Materials	PD costs	Contracted cost	Hard ware	TOTAL COST
1.0 FTE Threat / Safety Supervisor			1	120,000						120,000
Set up for Supervisor										
	Lap top								1300	1,300
	desk			800						800
	space									
Training/Materials										
	Trainer/per diem							15,000		15,000
	travel - in dist							2000		2000
	Travel - out of dist							3000		3000
	PD/conference fees/perdiem						4000			4,000
	materials					5,000				5,000
	food/coffee						3,000			3,000
	supplies				3,000					3,000
	printing				5,000					5,000
	subs/extra hours						30,000			30,000
Website	website work							5000		5000
										197,100

TOTAL

Overview for Leveled Threat Assessment Plan 9-21-2017

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Staffing Model Redesign

OVERVIEW TO FAO COMMITTEE
SEPTEMBER 26, 2017



Agenda

- Problem Statement and Goals
- Staffing Model Overview
- Preliminary Cost Analysis
- Roll Out and Implementation Considerations
- Discussion and Next Steps



The Problem Statement(s)

- Inequitable access to programs contributes to differences in course offerings at all levels
- Lack of continuity of offerings through the grades (k-12 Alignment)
- Some variation in staffing across schools for classroom, administration, and support staff
- FTE allocated to disparate purposes across schools
- Variation in the use of Equity allocation results in unclear connection to student outcomes
- The large amount of Non-Formula FTE less than ideal
- Changing state requirements (990, PE) may result in ongoing shifts

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Our Goals

A successful model will have the following characteristics:

1. **Equitable** – supports PPS' equity objectives
2. **Provides an Academic Baseline** – meets or exceeds minimum standard programmatic offering across ALL PPS schools
3. **Explainable** – easy to understand
4. **Offers Constrained Flexibility** – provides principal autonomy in defined, limited areas
5. **Scalable** – responsive to changes in enrollment, programs, and budget
6. **Provides Stability over Time** – limits extreme building-level fluctuations
7. **Limits the Need for Non-Formula** – contributes to simplicity, transparency, and manageability

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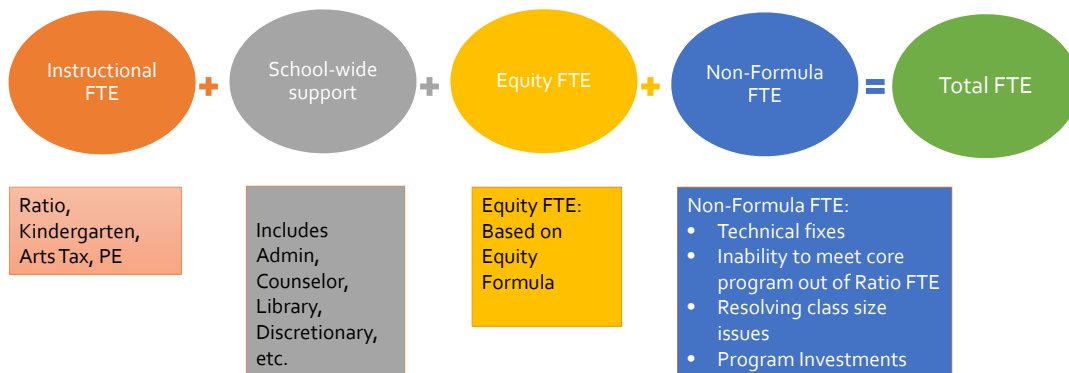
Staffing Model Overview


- Refresh on current model
- Two models under consideration
 - Section Model
 - Programmatic Model
- Q/A


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Current Staffing Model (Simplified)





PORTLAND PUBLIC SCHOOLS

Current Staffing Model (Detailed)

PPS Formula Instructors

Ratio FTE for grades 1 - 12


Ratio FTE for Kindergarten


Equity FTE

8% of PPS Formula Instructors

- General Fund Formula Allocations
- The general fund staffing formula is comprised of five components:
- Ratio FTE** – Staff allocation based on number of students in grades 1 through 12. This component includes, but is not limited to, teachers, educational assistants, and library and technology staff. Ratio FTE does not include funding for Kindergarten.
- Equity Allocation** – Staff allocation based on students' Socio-Economic Status and the number and percentage of students identified as Combined Historically Underserved. In 2017/18, 8% of the non-administrative FTE allocation is based on these Equity factors for high schools and all other schools, respectively.
- Kindergarten** – Kindergarten teacher and education assistant allocation based on the number of students served. The initial allocation, shown in this budget document, provides sufficient staff for a maximum class size of 26. Additional resources may be allocated in the fall based on actual students enrolled. Kindergarten EAs also allocated to schools above 60% historically underserved students.
- K-5 Arts** – The City of Portland provides dedicated resources for Arts instruction for schools serving students in grades K-5.
- School-Wide Support** – Staff allocation based on the need for administrative and other basic support. This allocation is based on school size and configuration (K-5, K-8, K-12, middle, and high schools). Positions staffed by this component include principals, vice principals, assistant principals, counselors and clerical support and others.
- In addition there are also General Fund Non-Formula Allocations

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PORTLAND PUBLIC SCHOOLS

Section Model



Section Model Overview

- Current system has Ratio FTE funding *
 - Grades 1-5 homeroom teachers
 - PE
 - Kindergarten is already allocated on a Section model.
 - If Ratio FTE is insufficient, non-formula FTE is allocated to make up the difference.
- New System explicitly allocates Homeroom teachers and PE Teachers based on class size ranges.

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Case Study: MLK, Jr, co-located DLI

KING 2021-22 (NO BOUNDARY CHANGE)

Grade	Neighborhood	Mandarin Immersion	Total
KG	30	38	68
01	36	32	68
02	35	30	65
03	31	28	59
04	31	26	57
05	28	24	52
Total	191	178	369

	KG FTE	Gr 1-5 FTE	Gr K-5 FTE
Ratio model (as K-5)			
Ratio model (as K-5)	3	11.67	14.67
Ratio model (as K-8)	3	12.54	15.54
Section-based model	4	15.00	19.00

KING 2021-22 (WITH BOUNDARY CHANGE)

Grade	Neighborhood	Mandarin Immersion	Total
KG	49	38	87
01	53	32	85
02	52	30	82
03	48	28	76
04	31	26	57
05	28	24	52
Total	261	178	439

	KG FTE	Gr 1-5 FTE	Gr K-5 FTE
Ratio model (as K-5)			
Ratio model (as K-5)	4	13.64	17.64
Ratio model (as K-8)	4	14.67	18.67
Section-based model	4	15.00	19.00

INPUTS	
K-5 Ratio	25.8
K-8 Ratio	24
Max Class Size	
KG	28
01	30
02	30
03	30
04	30
05	30

Reduces reliance on enrollment as an input



Section Model Pros/Cons

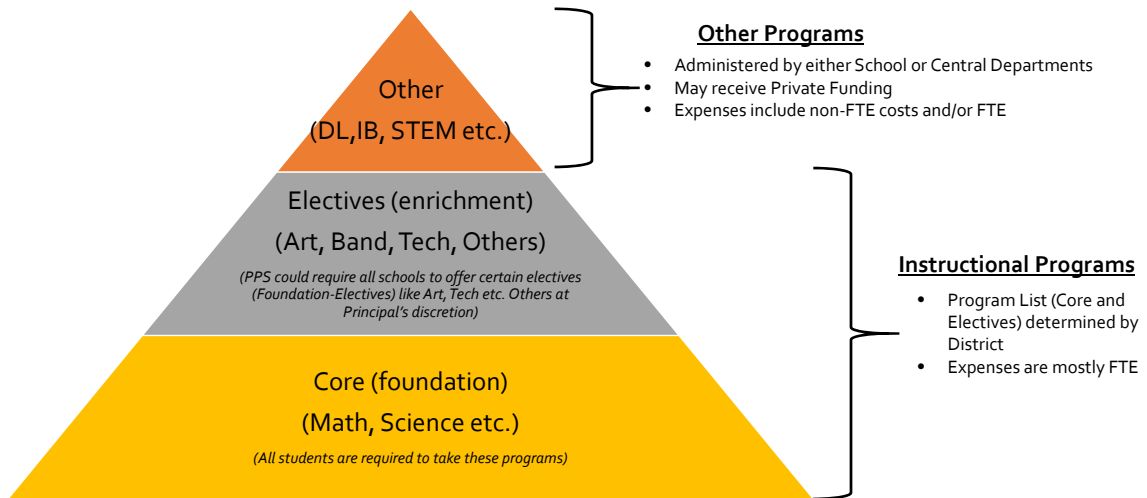
	Grades K-5	Grades 6-12
Equitable	Equity Formula would still exist.	Not applicable
Provides Academic Baseline	Small schools subsidized	
Explainable	Yes, more than current system. Other allocations (school wide support) would need to continue.	
Offers Constrained Flexibility	Depends if schools have flexibility such as raise class size or blend to generate more enrichment teachers	
Scalable	Class size guidelines can be changed when budgets are tight.	
Provides Stability over Time	Allocation in whole homeroom teacher increments	
Limits the Need for Non-Formula	Yes	
Cost Considerations	Will cost more for small schools under enrolled schools.	



Programmatic Model



Classification of School Programs



Step 1: Define a Program Structure

- Define Core and Elective programs including hours of annual instruction by program
- K-5: Currently defined by PPS (mostly)
- Middle Schools: Currently only core instructional hrs have been defined
- High Schools: Instructional hrs are not defined

	Taught by Homeroom FTE					
	Taught by Specialists					
	KG	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5
	Program Hrs/yr (32 wk instruction year)					
Literacy	240	240	240	240	160	160
Writing	80	80	80	80	120	120
Math	160	200	200	200	200	200
PE	40	40	40	40	40	40
Social Studies/Science	80	80	80	80	120	120
Arts	32	32	32	32	32	32
PE	40	40	40	40	40	40
Health	32	32	32	32	32	32
Other/Electives	216	176	176	176	176	176



Step 2: Identify sections per grade

- Calculate Sections (similar to Section Model)
 - Define FTE Ratio
 - Define optimal enrollment per grade
 - Sections = Enrollment/FTE ratio

		KG	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5
FTE Ratio		28	30	30	30	32	32
		Enrollment					
Atkinson	<i>Spanish</i>	26	28	29	29	33	27
	<i>Neighborhood</i>	41	42	48	39	48	45
		Sections					
	<i>Spanish</i>	1	1	1	1	2	1
	<i>Neighborhood</i>	2	2	2	2	2	2

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Step 3: Schools select Electives

- Schools select the Enrichments/Electives based on their focus areas. (All schools required to teach Core)
- Currently electives/enrichments have not been completely defined
 - This step is important when we implement staffing model for Middle and High schools.
- If necessary for K-5, recommend curriculum team defines the electives that schools can offer

In absence of defined electives, staffing model will calculate overall Elective FTE

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Step 4: Calculate Instruction FTE

Program FTE=(Sections*Program hrs)/FTE hrs (1 FTE hrs/yr=856 or 26.75hrs/wk based on 32 wk instruction year)

		Homeroom FTE (Homeroom FTE teach all below subjects but below shows how much FTE is spent on a particular program)							
		Literacy	Writing	Math	Social Studies/Science	PE	Health	Other/Electives	Total FTE
Atkinson	Spanish	1.7	0.8	1.6	0.8	0.3	0.2	1.5	7.0
	Neighborhood	3.0	1.3	2.7	1.3	0.5	0.4	2.6	12.0
		Specialists							
		PE	Arts	Remaining Arts Tax FTE	Total FTE				
Atkinson	Spanish	0.5	0.5		1				
	Neighborhood	0.5	0.5	0	1				
Total Instruction FTE					21				

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Step 4: Admin and Equity FTE

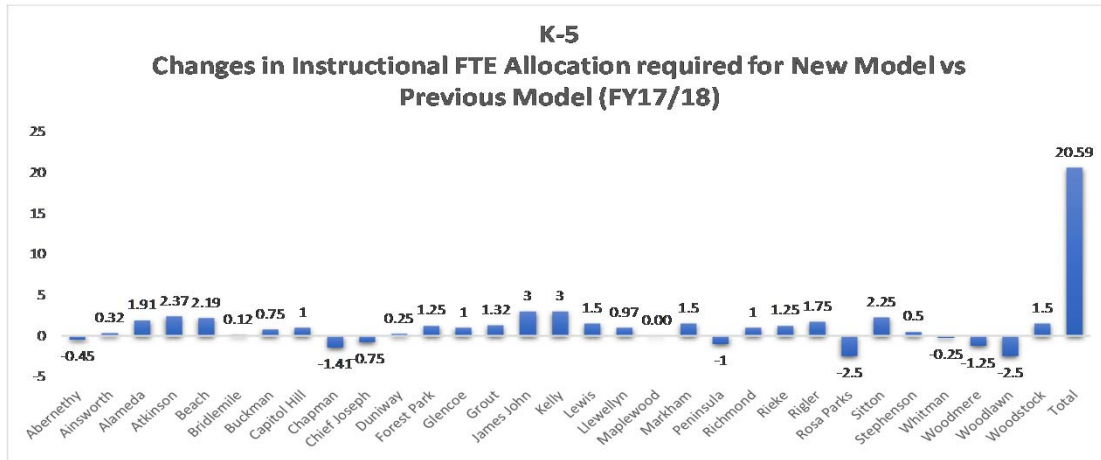
- Define Admin Staffing Rules
- Equity formulation is same as previous model

Admin Rules	
Position	Proposed Rules
Principal	1 FTE per site
Assistant Principal	1 FTE if students greater than 600; Additional FTE if students greater than 1000
Secretary	0.75 FTE per site for students less than 600, 1FTE if greater
Disc Support/CC	0.25 FTE per site
Media Specialist	0.75 FTE per school students >200; 1 FTE if students >1000
Counsellor	0.5 FTE for every 250 students

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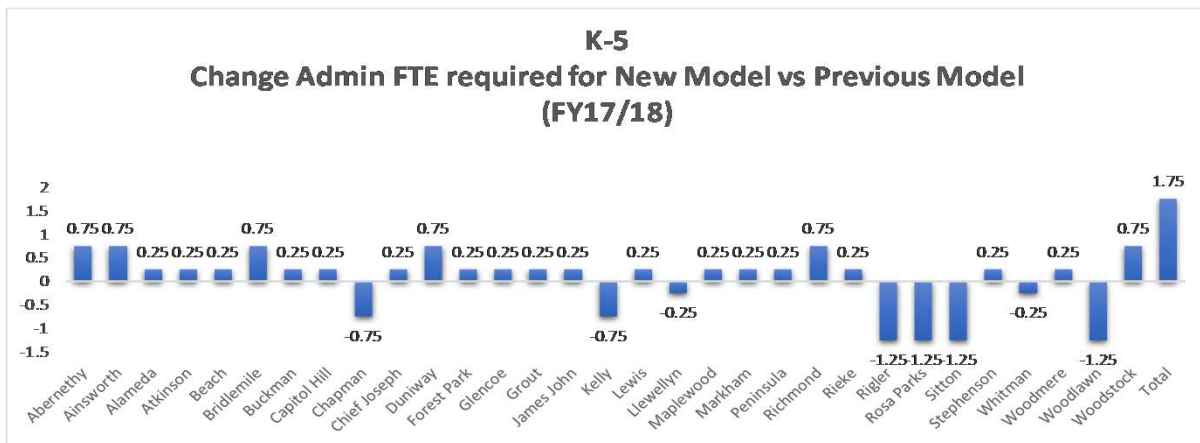
Cost Analysis per Schools



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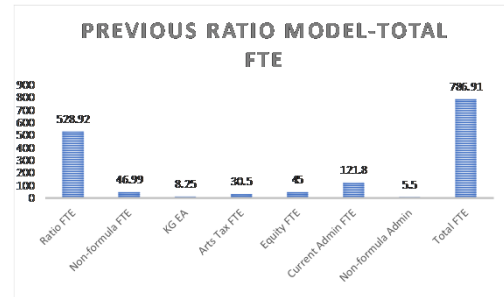
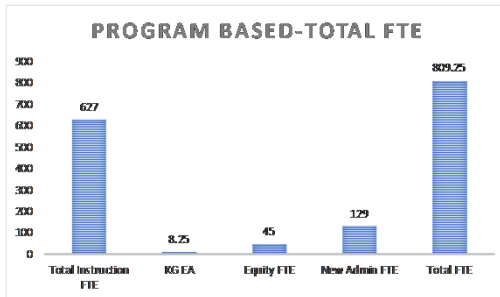
Cost Analysis per Schools



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Programmatic Model Costs (vs FY17/18): (K-5 Elementary Schools)

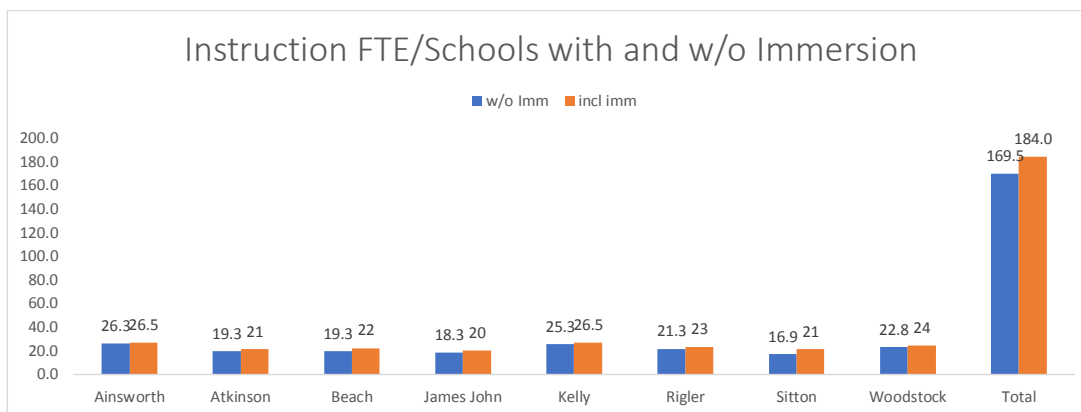


Above costs (additional 20 FTE vs previous model) assume PPS meets full PE requirements of 150min/wk. If PE requirement is reduced to 120mins/wk, then new model costs are only 13 FTE above previous model.

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How much does Immersion cost?



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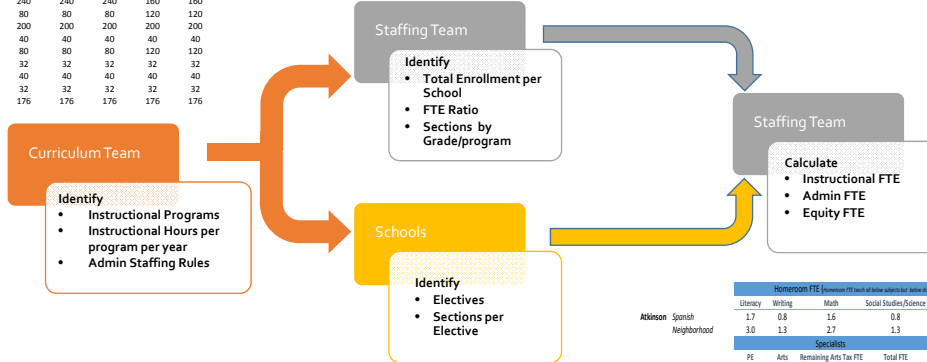


Summary Process Flow

Taught by Homeroom FTE
Taught by Specialists

	KG	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5
Literacy	240	240	240	240	160	160
Writing	80	80	80	80	120	120
Math	160	200	200	200	200	200
PE	40	40	40	40	40	40
Social Studies/Science	80	80	80	80	120	120
Arts	32	32	32	32	32	32
PE	40	40	40	40	40	40
Health	32	32	32	32	32	32
Other/Electives	216	176	176	176	176	176

FTE Ratio	KG	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5
	28	30	30	30	32	32
Atkinson	26	28	29	29	33	27
Neighborhood	41	42	48	39	48	45
	Sections					
Spanish	1	1	1	1	2	1
Neighborhood	2	2	2	2	2	2



Homeroom FTE (Homeroom FTE must all have students below. Below shows how many FTE is spent on a particular program)									
Atkinson	Spanish	Literacy	Writing	Math	Social Studies/Science	PE	Health	Other/Electives	Total FTE
Neighborhood		3.0	1.3	2.7	1.3	0.5	0.4	2.6	12.0
Specialists									
Atkinson	Spanish	PE	Arts	Remaining Arts Tax FTE	Total FTE				
Neighborhood		0.5	0.5	0	1				
Total Instruction FTE									21



Programmatic Model Pros/Cons

	Grades K-5	Grades 6-12
Equitable	Historically underserved schools get Equity FTE	Historically underserved schools get Equity FTE
Provides Academic Baseline	Core and Electives are established and appropriately funded	Core and Electives are established and appropriately funded
Explainable	FTE is divided by Homeroom and Specialists based on instructions hrs taught by each section.	Each program has its own FTE based on instruction hrs taught by each section.
Offers Constrained Flexibility	Homeroom teachers still have flexibility to choose and teach electives	Principals choose the Electives and FTE is allocated based on enrollment in electives
Scalable	Scales by enrollment and by additional programs implemented in schools	Scales by enrollment and by additional programs implemented in schools
Provides Stability over Time	Outside of the model	Outside of the model
Limits the Need for Non-Formula	There exists direct linkage between FTE and program taught, so non-formula FTE requirement is reduced/eliminated	There exists direct linkage between FTE and program taught, so non-formula FTE requirement is reduced/eliminated
Cost Considerations	Expense directly linked to number of sections (non-blended) and specialists required. Hence slightly more expensive	Expense directly linked to number of sections (non-blended) and specialists required. Hence slightly more expensive



Q&A

- **Can we implement programmatic model in FY18/19?**

Model can be implemented for K-5 schools in FY18/19. For K-8, Middle and High schools, possibly FY19/20, since the curriculum team has to define the program structure (core/elective courses and hrs of instruction)

- **How is SPED/ESL allocated?**

Programmatic model does not change SPED/ESL allocation formulas. For full transparency on actual FTE in schools, suggest that SPED/ESL FTE allocation be shown in central dashboard. For changes in SPED/ESL allocation process, suggest to tackle issue through the ZBB process

- **Does new staffing model resolve equity issues?**

Equity issues cannot be fully resolved since school-specific foundations still exist. But model ensures that there is equity in general fund fte allocation. For more accountability of Equity FTE, suggest that District hold Equity FTE and allocate as required with KPIs.

- **Does new staffing model reduce class sizes?**

Programmatic model objective is not to reduce class sizes. For class size reduction, suggest that District look at other solutions like integrating SPED/ES/Title-1 into homeroom classrooms.

- **Does Programmatic model still need Non-formula FTE?**

Programmatic Model ensures that Non-formula FTE is minimized. If schools requires Non-Formula FTE, below steps should be followed:

1. Identify root-cause for request of additional FTE
2. Root cause cannot be FTE requests for core/elective since Model ensures we have the required FTE allocated by program
3. If root cause is underserved community, that it should be addressed by Equity FTE
4. If root cause is performance of school staff, then Central should allocate Instructional Coaches or other Resources/Tools through OSP budget with defined KPIs
5. If root cause is sudden under-enrollment or need to turnaround a school that requires additional staff, then Central allocate FTE from a central/Supt bucket(Strategic Initiatives FTE) to help the school for a 1-2 year time period while longer term solution is put in place.

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Critical Success Factors (any model)

- Robust data and reliable district-wide reporting by schools on actual FTE allocation
- Improved and more consistent scheduling expertise
- Increasing role for Senior Directors
- Ability to attract and retain the best teachers
- Administrative excellence

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Rollout Options

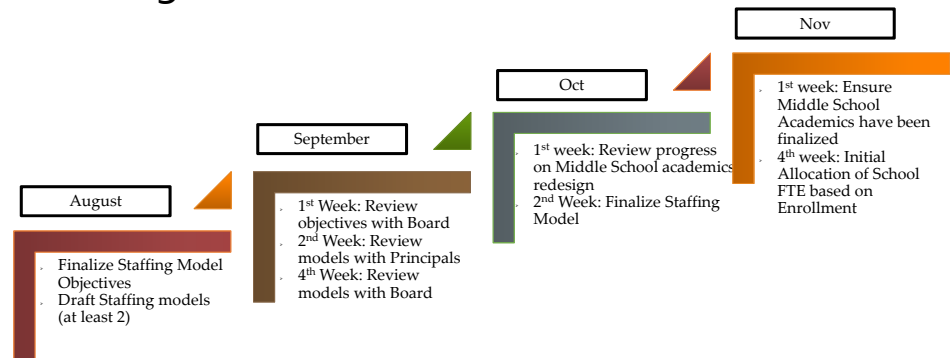
How should we roll-out? (Phase 2018-19, 2019-20, 2020-21, etc.)

- Programmatic Model:
 - a) Phase 1: K-5 (can implement now)
 - b) Phase 2: K-8 and Middle Schools
 - c) Phase 3: High Schools
- Section Model:
 - a) Phase 1: K-5 DLI co-located programs
 - b) Phase 2: All K-5

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Staffing Timeframe





Next Steps

Action	Timing	Goal
Created detailed timeline for adoption	Late September	<ul style="list-style-type: none"> Set expectations Collect feedback
Create core advisory team	Ongoing	<ul style="list-style-type: none"> Involve principals and Sr. Directors Get involvement Collect feedback
Review with stakeholders	Ongoing	<ul style="list-style-type: none"> Collect feedback Adjust approach as necessary
...		
...		

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Determining Prioritization

1. What variation (in course options and student supports) does the staff model need to support to deliver equitable outcomes in core academic areas?
2. PE is becoming a core academic area in 2019-20. To what extent do we fund PE for 2018-19? (K-8 issue)
3. Are special program models, such as DLI or IB, funded by the adopted staffing formula or by an augmented staffing model?
4. Under what conditions do we prioritize support for schools with low numbers (capture rate)?
5. For 2018-19, each school needs to have 80% students fully scheduled. Some high schools do not have that level.

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