

**Portland Public Schools District 1J, Multnomah County, Oregon
Board of Education's
Finance, Audit and Operations Committee**

**March 13, 2018
Informal Minutes**

The meeting of the Board's Finance, Audit and Operations Committee convened on the above date at 3:05 pm at the call of Chair Rita Moore in the Wy'East Conference Room of the Blanchard Education Service Center, 501 N. Dixon St., Portland, OR 97227.

There were present:

Board

Rita Moore-Chair
Paul Anthony
Mike Rosen
Amy Kohnstamm

Staff

Patrick Leboeuf-Director, Project and Construction Program
Guadalupe Guerrero-Superintendent
Antonio Lopez-Assistant Superintendent, Office of School Performance
Shawn Helm- Principal Analytics and Evaluation Analyst
Emily Courtneage –Director, Purchasing and Contracting
Pradeep Raju- Principal Business and Finance Operations Analyst
Stephanie Cameron-Senior Director, Communications
Rosanne Powell-Senior Board Manager
Ryan Dutcher-Interim Budget Director
Ashleigh Gunter-Principal, Gunter Group Consulting
Molly Bradley-
Laura Parker-Chief Strategic Officer
Stephanie Soden-Chief of Staff
Mary Kane-Senior Legal Counsel
Kathleen Hiigel- Financial Operations Manager
Liz Large-Interim General Counsel
Abdi Jamac- School-Family Partnership Coordinator

CBRC Members

Betsy Salter
Harmony Querorz-co chair
Roger Kirchner
Gabrielle Mercedes Bolivar

UPDATED 2018-19 FINANCIAL ANALYSIS

Ryan Dutcher presented the current service level analysis for the District and stated there was a possibility of an increased in the ending fund balance. Chair Moore asked if there were any changes in the state school fund numbers. He responded that student revenue was up a bit and that there was an expected increase in the local option revenue. Director Kohnstamm asked if the Public Employees Retirement Systems (PERS) contribution is going up and he responded that it would go up a bit. Superintendent Guerrero requested that the next analysis separate the contracts out of the non-personnel costs.

SPENDING AND STAFFING TREND AND OVERVIEW

Ryan Dutcher provided an overview of the past ten years of general fund expenditures. Chair Moore asked if it included Title 1 funds and he said it didn't. Chair Moore asked if administrative costs were

typically 3%-4% of the overall budget. Ryan Dutcher said that is the ODE definition, but that the one he shared was more accurate. Chair Moore would like to see the same trend analysis from the implementation of Measure 5 in 1985. Director Kohnstamm would like to see that the District consider a reserve as an essential building block to the budget and not an after thought.

SCHOOL STAFFING DETAILS

There was an overview on the new school site allocation staffing plan. Shawn Helm shared that schools are supposed to provide equity fund position decisions by Wednesday and Human Resources will analyze. Director Kohnstamm wanted to know how school declines will be handled in fall balancing this year. Shawn Helm said that they now use projected enrollment in the staffing allocation, so they are getting more accurate in their numbers. Ashleigh Gunter said 54% are better or neutral in their numbers, and 30% saw a decrease due to lower enrollment. She also shared that 15% of decrease in school staffing was due to the model change. Superintendent Guerrero stated this is just the foundational model and that half or more of schools should see an increase. Shawn Helm said that right now we are down less than one FTE overall. Superintendent Guerrero shared that some decrease is due to school reconfiguration, no longer qualifying for equity funding or a drop in enrollment and that he is hoping that small fluctuation does not make a difference. Harmony Quiroz asked if they can see the areas of increased enrollment and how staffing is affected. Ashleigh Gunter said she would share that with her. She also shared that not all high schools receive equity allocation funding. Roger Kirschner asked if there is a plan to cap enrollment at high schools. The Superintendent said that it is a balance to know what enrollment is sustainable in a high school that does not have a negative effect in other schools. Gabrielle Mercedes Bolivar would like to see examples of targeted interventions funded by the equity allocation. Superintendent Guerrero would like to provide resources for principals so they can effectively use their allocations. The staffing model is new and only part of the budget. Chair Moore would like to look at the enrollment trends for schools converting from k-8 to k-5. Enrollment numbers are based on demographer predictions after the boundary shifts.

CENTRAL OFFICE BUDGET AND APPROACH

Ryan Dutcher provided an update on where we are with the budget for Central Office. He stated that this year's approach is not quite a zero based budget approach, but it is pretty close. Chair Moore would like the Board to be looped in earlier. Superintendent Guerrero says they need to have a critical conversation on whether to keep programs that do not have strong outcomes. They will know by March 23rd what the central office budget will be and will be able to share by the second week in April.

BUDGET REVIEW CALENDAR

There was a review of the budget timeline and calendar. Director Rosen would like more time between when the Superintendent proposes a budget and when the Board approves it. Director Anthony would like to have a central point of contact to answer budget questions. Ryan Dutcher shared that the Tax Supervising and Conservation Commission (TSCC) has agreed to postpone the hearing. His office will continue to work closely and inform Craig Gibbons along the way.

CONTRACT REVIEW STATUS REPORT

Ryan Dutcher shared the method they are asking Senior Leadership to use to look at all contracts. He also provided a template. Director Rosen asked if all Senior Leadership team members were sent a list of their contracts. Ryan Dutcher said they did receive them. Chair Moore asked if they are looking at the contract review process. Stephanie Soden said that yes they are and there is a staff steering committee looking at this. Emily Courtnage shared there is a scope of work template used to fill out direct services contracts and there is a proposal to look at performance management for contracts. She said these contracts should not auto renew. There was discussion on Key Performance Indicators (KPIs) and how the Board can see those prior to contract approval. Director Moore thinks it is problematic that District employees can enter into contracts and would like to get an understanding of the contracting process. Emily Courtnage stated she would be making changes in order to comply with state law. Superintendent Guerrero thinks these are great questions and would like to know why the District has so many contracts and if we have internal capacity for much of the work contracted out. Stephanie Soden would like to take through the end of the year to review the process and to the end of September to make recommendations. Chair Moore would like for this to come back to the committee.

There was public comment that the District needs to look at equity in staffing and to review the Special Education (SOED) staffing model to ensure that SPED stays adequately staffed.

Chair Rita Moore adjourned the meeting at 5:12 p.m.

Submitted by:

Rosanne Powell, Board Manager