

BOARD OF EDUCATION
SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON

INDEX TO THE MINUTES
REGULAR MEETING

April 1, 2013

Board
Action
Number

Page

Personnel

4743 Election of Second Year Probationary Administrator.....

Other Matters Requiring Board Action

4744 Tax-Exempt Bond Post-Issuance Compliance Policy and Procedure

4745 Resolution Authorizing the Sale of General Obligation Bonds and Related Matters.....

4746 Amendment No. 2 to the 2012/13 Budget for School District No. 1J,
Multnomah County, Oregon

April 1, 2013

OFFICE OF THE BOARD OF EDUCATION
SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON
BLANCHARD EDUCATION SERVICE CENTER
PORTLAND, OREGON

The Study Session of the Board of Education came to order at 6:02pm at the call of Co-Chair Greg Belisle in the Board Auditorium of the Blanchard Education Service Center, 501 N. Dixon St, Portland, Oregon.

There were present:

Pam Knowles
Ruth Adkins
Bobbie Regan - *absent*
Trudy Sargent
Martin Gonzalez, Co-Chair
Matt Morton
Greg Belisle, Co-Chair

Alexia Garcia, Student Representative

Staff

Carole Smith, Superintendent
Caren Huson-Quiniones, Board Senior Specialist

PARTNERSHIP RECOGNITION

Lorenzo Poe, Chief Equity Officer, honored Community Education Partners (CEP). CEP assists in addressing PPS critical issues. They are community advocates who come together around a single issue. Melissa Goff, Executive Director of Teaching and Learning, and Tammy Jackson, Student Services Program Director, stated that PPS is committed to changing the outcomes in terms of student discipline and CEP has been instrumental in shaping changes to the PPS Discipline Policy and holding us accountable. Ms. Jackson introduced Will Full from CEP. Mr. Fuller stated that it was a true partnership with PPS and thanked the principals of the schools who were very dedicated people. Co-Chair Belisle introduced each partner and presented them with a plaque: Community and Parents for Public Schools, All Hands /Raised, Latino Network, Resolutions Northwest, Urban League of Portland, IRCO Africa House, Stand for Children, Portland Parent Union, and Youth Right and Justice.

PUBLIC COMMENT

Will Fuller stated that he was the CPPS representative to CEP and that ending disparity with people of color, in terms of exclusionary discipline, was an urgent issue. The District needs to learn from those most knowledgeable. Disparities remain unacceptably high and the current disciplinary system hurts low income people of color the most, and that needs to change. CPPS shares a sense of urgency with PPS and asked the District to honor the voice of the families most affected.

Sheila Warren, founder of the Portland Parent Union (PPU), reported that they have been a part of CEP for 10 years. She has seen little support from the PPS Board in her community and no partnership has been established with the Board. PPU sees no support for the families who have been impacted the most by PPS decisions. Visiting PPU meetings does not seem to be a priority of PPS. PPU could teach the District if the District would just open their heart and sit down and talk to them. PPS does not know their story.

Jamila Myrick stated that her 12-year old began school in Head Start and it has been a battle ever since she began attending PPS. Her daughter has been to seven different PPS schools, and it all began when she was expelled from kindergarten. Now she is in Open Meadow and feels comfortable there. All the trouble began when she started school with PPS.

April 1, 2013

Ana Meza, member of the Multnomah County Youth Commission, spoke on the issue of youth violence. Restorative Justice was one program that can be used against violence. She asked the Board to please look at the recommendation from the Youth Commission and to take them seriously. We need to work together on this.

Jenny Richardson stated that we can start a change by not ranking our children. Children who end up at the bottom of rankings are vulnerable and that leads to bullying by those students at the top. She spoke of the affects this has had on her family; she believes her family is being treated differently since she has spoken out on this issue.

LEGISLATIVE UPDATE

Representative Jules Bailey, from House District 42, shared information on what has been happening at the state capitol. Education is high on the list of issues and he spoke on the proposed state budget for education. Mr. Bailey asked the Board to keep the urgency and pressure on the state legislature and to communicate with legislators.

Director Sargent asked if there was a separate measure about urban renewal districts. Mr. Bailey responded that it was a separate measure with broad support for it.

Jim Green, Deputy Executive Director of OSBA, reviewed PERS and understanding the nature of the challenge. PERS is one of the most complex and legalistic retirement plans and he knows the challenge the District will face with the upcoming PERS rates. Mr. Green distributed a handout on reform principles and explained how PERS works.

Director Adkins questioned if OSBA has done an analysis on the affect the reform will have on retirees. Mr. Green responded that they have done some initial analysis; if you took the money match at 4% instead of 8%, that would have a huge impact on a person's IAP and could total a 32% reduction in retirement benefits. That is not adequate for someone who has planned for 30 years.

Director Sargent mentioned that she had heard rumors about a CTE bill. David Williams, Government Relations Director, responded that there were a couple bills at the State level on CTE.

Director Knowles provided an overview of her trip to Washington D.C. with the Council of Great City Schools. Director Williams was also on that trip and prepared her for the Legislative Conference. There was much discussion around sequestration, early childhood learning, common core state standards, school improvement grants, curriculum, and gun violence.

IMPROVING DISCIPLINE EQUITY

Tammy Jackson provided a PowerPoint presentation and stated that staff was working to improve our transparency and evenness of positive behavior modification in schools. Fewer students are being excluded in all racial groups. Improvements are greater for some groups of students than others. Investments in student success includes: ensuring common goals of decreasing exclusion and eliminating disparity; positive behavior interventions and supports (PBIS) training for self-identified schools (36 of 85 currently active); evidenced based classroom management course; and developing restorative practices. We need to expand PBIS district-wide allocated resources to implement with fidelity; establish a central hearings officer; and improve the discipline data system.

Director Sargent commented that she was not overwhelmed in the difference in results between cohort and non-cohort schools and questioned the investment of PBIS. Ms. Jackson responded that the cohort schools who were currently participating in PBIS started at a higher rate of exclusion. They are continuing to lower their rate of exclusion at a rate that is greater than non-cohort schools. We have not implemented PBIS with fidelity. Our greatest change will be in this academic year and the Board does not have that data yet. Director Sargent mentioned that the data was difficult to understand so more conversations were need on this topic.

April 1, 2013

Director Adkins asked if the District could hire a central hearings officer. Superintendent Smith responded that some of the items the Board is discussing will appear in the proposed budget. Director Adkins stated that the Board should look at another reaffirmation on the importance of this topic; we need to return to this and place urgency upon it. Director Sargent requested preliminary data for this year to determine any increase in investment.

2013-2014 BUDGET – PROGRAM OVERVIEW

Melissa Goff provided an overview of teacher Professional Development, stating that the work is focused around the District's strategic plan and that the human touch was the most valuable element in education. We can use technology to our advantage. Proposed Learning Models and Supports include examining our model based upon the greatest impact to student learning and on what staff are saying they would like to receive. Staff wants to work together to grow our practice: equity, access, empowerment and success. It is recommended to maintain our high school instruction support for coaching. Budget implications would require doubling the general fund investment in culturally responsive new teacher mentor positions, and invest through Title IIA.

Student Representative Garcia asked if PD was determined in cooperation with the teachers union in developing topics. Ms. Goff responded yes, conversations occur once a month.

SECOND READING: POST BOND ISSUANCE POLICY

Co-Chair Belisle indicated that this was a second reading of the Post Bond Issuance Policy. The proposed policy had been posted for public comment for 21 days, and no public comment was received.

CAPITAL BOND ISSUANCE

David Wynde, Deputy Chief Financial Officer, mentioned that the Board reviewed this topic at their previous Study Session. The District's bond rating was AA2 and the bonds would be sold in two series.

2012-2013 BUDGET AMENDMENT NO. 2

Mr. Wynde stated that the Board discussed this item at their previous meeting.

CAPITAL BOND OVERVIEW: DESIGN AND CONSTRUCTION

Jim Owens, Executive Director of the Office of School Modernization, provided a PowerPoint presentation. Co-Chair Belisle stated that the District's communication to the public needs to be very clear on the various stages of design and construction. Mr. Owens responded that there would be signage around the sites as construction begins, and we will communicate with the public prior to any construction.

ADJOURN

Co-Chair Belisle adjourned the meeting at 9:05pm

April 1, 2013

Personnel

The Superintendent RECOMMENDED adoption of the following item:

Number 4743

Director Knowles moved and Director Sargent seconded the motion to adopt the above numbered item. The motion was put to a voice vote and passed unanimously (vote: 6-yes, 0-no; with Director Regan absent and Student Representative Garcia voting yes, unofficial).

April 1, 2013

RESOLUTION No. 4743

Election of Second Year Probationary Administrator

RECITAL

On the advice of the Chief Human Resources Officer, the Superintendent recommends the following person serving in an administrative position is elected as a Second Year Probationary Administrator.

RESOLUTION

The Board of Education accepts the Superintendent's recommendation and by this resolution hereby elects as a Second Year Probationary Administrator for the school year 2013-14 the following person, according to the employment terms and conditions set out in the standard District contract.

First	Last	ID
Korinna	Wolfe	017743

S. Murray

April 1, 2013

Other Matters Requiring Board Action

The Superintendent RECOMMENDED adoption of the following items:

Numbers 4744 through 4746

During the Committee of the Whole, Director Gonzalez moved and Director Sargent seconded the motion to adopt Resolution 4744. The motion was put to a voice vote and passed unanimously 6-0 (vote: 6-yes, 0-no, with Director Regan absent and Student Representative Garcia voting yes, unofficial).

During the Committee of the Whole, Director Knowles moved and Director Adkins seconded the motion to adopt Resolution 4745. The motion was put to a voice vote and passed unanimously 6-0 (vote: 6-yes, 0-no, with Director Regan absent and Student Representative Garcia voting yes, unofficial).

During the Committee of the Whole, Director Sargent moved and Director Gonzalez seconded the motion to adopt Resolution 4746. The motion was put to a voice vote and passed unanimously 6-0 (vote: 6-yes, 0-no, with Director Regan absent and Student Representative Garcia voting yes, unofficial).

April 1, 2013

RESOLUTION No. 4744

Tax-Exempt Bond Post-Issuance Compliance Policy and Procedure

RECITALS

- A. In November 2012, voters authorized Portland Public Schools (“the District”) to issue up to \$482 million of general obligation bonds to create effective, accessible and inclusive learning environments that help all students achieve through renovating/replacing facilities.
- B. To preserve the tax status of interest on tax-exempt obligations and to comply with applicable requirements of Federal tax law, the District should establish a policy requiring that appropriate procedures are followed at the time each Bond is issued and throughout the term of each Bond (until maturity or redemption).
- C. To ensure compliance with said policy, the District should also establish compliance procedures to ensure that:
 - 1) the District utilizes the proceeds of all issues of bonds, certificates of participation, bond anticipation notes, and tax and revenue anticipation notes (collectively referred to as “Bonds”) in accordance with applicable Federal tax requirements, and
 - 2) complies with all other applicable Federal requirements with respect to outstanding Bonds.
- D. On March 11, 2013, staff presented the first reading to the Board of the attached Board Policy and the draft Administrative Directive.

RESOLUTION

- 1. Be it therefore resolved that the Board of Education hereby adopts the Tax-Exempt Bond Post-Issuance Compliance Policy to comply with applicable requirements of Federal tax law.
- 2. Under the direction of the Superintendent, the Chief Financial Officer or designee is responsible for implementing the Tax-Exempt Bond Post-Issuance Compliance Policy and appropriate claim procedures consistent with Oregon law.

Policy and Legal References: 103(a) of the Internal Revenue Code and Part I, §148 and 1.148-3 of IRS Income Tax Regulations

N. Sullivan

April 1, 2013

RESOLUTION No. 4745

Resolution Authorizing the Sale of General Obligation Bonds and Related Matters

RECITALS

- A. The Board of Directors of Portland Public Schools, Multnomah County, Oregon also known as Multnomah County School District 1J ("PPS") is committed to maintaining and preserving the useful life of its school buildings.
- B. PPS understands that its schools are the property and pride of all citizens of Portland, and are strong anchors needed for livable neighborhoods.
- C. The average age of PPS school buildings is 65 years old and they have received only minimal updates over time.
- D. PPS recognizes that the condition of its facilities has a direct impact on the ability of teachers to teach and students to learn and succeed.
- E. PPS is committed to all students having the same up-to-date technology, equipment and teaching approaches as students in schools with newer buildings so our students can compete for college and in the workplace.
- F. Due to inadequate state funding for schools, PPS has prioritized use of General Fund money for its core educational mission, resulting in deferral of major maintenance on its facilities, leading to secondary damage and increased facility costs.
- G. Capital dollars last made available in 1995 were fully expended years ago and that debt has been retired.
- H. In May, 2012 the Board adopted (by Resolution No. 4608) an update to the PPS Long Range Facilities Plan, which was the culmination of five months of work by PPS staff and an advisory committee that provided a community voice for the planning process. The updated plan evaluates the adequacy of existing educational facilities, plans for future capital facilities spending and addresses how the student population will be housed over the next 10 years.
- I. In June, 2012 a proposal to rebuild schools and update learning environments for students was developed and refined by community input.
- J. At meetings in June and August, 2012, the Board determined that it would be appropriate to seek voter approval in November, 2012, for general obligation bonds to finance a program of capital investments in PPS schools that includes:
 - the full modernization or replacement of three high schools identified using high seismic risk and the need for major access upgrades as priority criteria;
 - the full modernization or replacement of Faubion School in partnership with Concordia University;
 - seismic and other building improvements: including seismic strengthening, replacement and seismically bracing roofs, roof replacements and accessibility improvements at a number of district schools;
 - educational facility improvements to improve grades 6-8 science classrooms with sinks and electrical outlets at as many as 39 schools;
 - repayment of \$45 million of existing capital debt; and
 - master planning the high school campuses not impacted by the major investment described above.
- K. In November of 2012 the voters of Portland Public Schools authorized Portland Public Schools (the "District") to issue up to \$482 million of general obligation bonds to improve schools with 67% of voters supporting this capital investment program.

April 1, 2013

- L. It is now desirable to authorize the sale of up to \$165 million of the general obligation bonds that were approved by the voters in November of 2012 to begin to fund this capital improvement work in PPS schools.

RESOLUTION

1. The Board of Education (the "Board") of the District hereby authorizes the issuance and sale of up to \$165 million in principal amount of general obligation bonds to pay for capital costs that are described in the ballot measure approved by the District's voters in November, 2012 (the "Capital Costs") and costs related to the general obligation bonds authorized by this resolution (the "Bonds").
2. The District's Chief Financial Officer or the person designated by the Chief Financial Officer to act under this resolution (each of whom is referred to in this resolution as a "District Official") may, on behalf of the District and without further action by the Board:
 - a. Sell and issue the Bonds in one or more series.
 - b. Participate in the preparation of, authorize the distribution of, and deem final any official statement or other disclosure documents relating to each series of the Bonds.
 - c. Establish the form, final principal amount, maturity schedule, interest rates, sale prices and discount, prepayment terms, payment terms and dates, and other terms of each series of Bonds.
 - d. Execute and deliver a bond declaration for each series of Bonds. The bond declaration for each series may specify the terms under which the series is issued, and may contain covenants for the benefit of Bond owners and any providers of credit enhancement for the Bonds.
 - e. Publish a notice of sale, receive bids and award the sale of each series of Bonds to the bidder complying with the notice and offering the most favorable terms to the District, or select one or more underwriters, commercial banks or other investors and negotiate the sale of any series of the Bonds with those underwriters, commercial banks or investors.
 - f. Undertake to provide continuing disclosure for each series of Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission.
 - g. Apply for ratings for each series of Bonds, determine whether to purchase municipal bond insurance or obtain other forms of credit enhancement (such as the Oregon School Bond Guaranty Program) for each series of Bonds, enter into agreements with the providers of credit enhancement, and execute and deliver related documents.
 - h. Appoint paying agents and other service providers for the Bonds and negotiate the terms of and execute agreements with those service providers.
 - i. Determine whether each series of Bonds will bear interest that is excludable from gross income under the Internal Revenue Code of 1986, as amended, or is includable in gross income under that code. If a series bears interest that is excludable from gross income under that code, the District Official may enter into covenants to maintain the excludability of interest on that series of the Bonds from gross income.
 - j. If permitted by federal law, issue any series of Bonds as taxable bonds that are eligible for federal interest subsidies or tax credits, and enter into related covenants.
 - k. Sell and issue one or more series of the Bonds to provide interim financing for Capital Costs, enter into lines of credit or similar documents which permit the District to draw Bond proceeds over time, and issue Bonds to refund the Bonds that provide interim financing for the Capital Costs. Refunding Bonds described in this Section 2.0 to refund

April 1, 2013

Bonds shall not be subject to the limit in Section 1 on the principal amount of Bonds that are issued to pay for Capital Costs.

- l. To the extent permitted by the November, 2012 ballot measure, issue Bonds to refund previously issued obligations of the District, and take any related actions.
 - m. Execute any documents and take any other action in connection with the Bonds which the District Official finds will be advantageous to the District.
3. The District hereby declares its official intent pursuant to Section 1.150-2 of the Federal Income Tax Regulations to use the proceeds of the Bonds to reimburse the District for Capital Costs that the District pays from its revenues. The District Official is hereby authorized to make additional reimbursement declarations on behalf of the District.

N. Sullivan / D. Wynde

April 1, 2013

RESOLUTION No. 4746

Amendment No. 2 to the 2012/13 Budget for School District No. 1J,
Multnomah County, Oregon

RECITALS

- A. On June 25, 2012 the Board, by way of Resolution No. 4619, voted to adopt an annual budget for the Fiscal Year 2012/13 as required under Local Budget Law.
- B. Board Policy 8.10.030-AD, "Budget Reallocations – Post Budget Adoption," establishes the guidelines to ensure consistent and detailed communication on fiscal issues between the Superintendent and the Board of Education ("Board").
- C. Oregon Local Budget Law, ORS 294.471, allows budget changes after adoption under prescribed guidelines, which includes the provision that the budget may be amended at a regular meeting of the governing body.
- D. On January 28, 2013, by way of Resolution No. 4708, the Board amended the FY 2012/13 budget.
- E. Amendment No. 2 adjusts program allocations for funds to more accurately reflect intended expenditures, particularly in connection with the issuance of up to \$165 million of bonds under the recently voter-approved Portland Public Schools ("PPS") capital bond.
- F. In May, 2012 the Board adopted (by Resolution No. 4608) an update to the PPS Long Range Facilities Plan, which was the culmination of five months of work by PPS staff and an advisory committee that provided a community voice for the planning process. The updated plan evaluates the adequacy of existing educational facilities, plans for future capital facilities spending and addresses how the student population will be housed over the next 10 years.
- G. In June, 2012 a proposal to rebuild schools and update learning environments for students was developed and refined by community input.
- H. At meetings in June and August, 2012, the Board determined that it would be appropriate to seek voter approval in November, 2012, for general obligation bonds to finance a program of capital investments in PPS schools that includes:
 - 1) the full modernization or replacement of three high schools identified using high seismic risk and the need for major access upgrades as priority criteria;
 - 2) the full modernization or replacement of Faubion School in partnership with Concordia University;
 - 3) seismic and other building improvements: including seismic strengthening, replacement and seismically bracing roofs, roof replacements and accessibility improvements at a number of district schools;
 - 4) educational facility improvements to improve grades 6-8 science classrooms with sinks and electrical outlets at as many as 39 schools;
 - 5) repayment of \$45 million of existing capital debt; and
 - 6) master planning the high school campuses not impacted by the major investment described above.
- I. In November of 2012 the voters of Portland Public Schools authorized Portland Public Schools (the "District") to issue up to \$482 million of general obligation bonds to improve schools with 67% of voters supporting this capital investment program.
- J. On February 28, 2011 by way of Resolution No. 4416, The Board established Fund 450 – GO Bonds and Fund 350 – GO Bonds Debt Service Funds.

April 1, 2013

- K. Expenditures in three funds (Fund 450 – GO Bonds; Fund 305 – School Modernization Debt Service Fund; Fund 338 Facilities Capital Debt Service Fund) will be changed by more than 10% under this amendment. Local budget law requires a public hearing on these changes.

RESOLUTION

- 1. Having held a public hearing on this amendment as required under local budget law, the Board hereby amends budgeted revenues and expenditure appropriation levels as summarized by Fund and Appropriation Level in Attachment A for the fiscal year beginning July 1, 2012.

N. Sullivan / D. Wynde

April 1, 2013

ATTACHMENT "A" TO RESOLUTION No. XXXX

Fund 450 - GO Bonds	Adopted Budget	Amendment #1	This Amendment	Amendment #2
Resources				
Beginning Fund Balance	-	-	-	-
Local Sources	-	-	-	-
Intermediate Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Other Sources	-	-	165,000,000	165,000,000
Total	-	-	165,000,000	165,000,000
Requirements				
Instruction	-	-	-	-
Support Services	-	-	-	-
Enterprise & Community Services	-	-	-	-
Facilities Acquisition & Construction	-	-	10,000,000	10,000,000
Debt Service & Transfers Out	-	-	45,000,000	45,000,000
Contingency	-	-	110,000,000	110,000,000
Ending Fund Balance	-	-	-	-
Total	-	-	165,000,000	165,000,000

Fund 305 School Modernization Debt Service Fund	Adopted Budget	Amendment #1	This Amendment	Amendment #2
Resources				
Beginning Fund Balance	-	-	-	-
Local Sources	-	-	-	-
Intermediate Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Other Sources	143,588	-	25,750,000	25,893,588
Total	143,588	-	25,750,000	25,893,588

Requirements				
Instruction	-	-	-	-
Support Services	-	-	-	-
Enterprise & Community Services	-	-	-	-
Facilities Acquisition & Construction	-	-	-	-
Debt Service & Transfers Out	143,588	-	25,750,000	25,893,588
Contingency	-	-	-	-
Ending Fund Balance	-	-	-	-
Total	143,588	-	25,750,000	25,893,588

Fund 338 Facilities Capital Debt Service Fund	Adopted Budget	Amendment #1	This Amendment	Amendment #2
Resources				
Beginning Fund Balance	-	-	-	-
Local Sources	-	-	-	-
Intermediate Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Other Sources	87,632	-	19,250,000	19,337,632
Total	87,632	-	19,250,000	19,337,632

Requirements				
Instruction	-	-	-	-
Support Services	-	-	-	-
Enterprise & Community Services	-	-	-	-
Facilities Acquisition & Construction	-	-	-	-
Debt Service & Transfers Out	87,632	-	19,250,000	19,337,632
Contingency	-	-	-	-
Ending Fund Balance	-	-	-	-
Total	87,632	-	19,250,000	19,337,632