

**School District No. 1J, Multnomah County, Oregon
Work Session of September 16, 2014**

INFORMAL MINUTES

A Work Session of the Board of Directors came to order at 6:06pm at the call of Co-Chair Ruth Adkins in the Board Auditorium at the Blanchard Education Service Center, 501 N. Dixon Street, Portland, OR, 97227

There were present:

Board of Directors:

Pam Knowles, Co-Chair - *absent*
Ruth Adkins, Co-Chair
Bobbie Regan
Matt Morton - *absent*
Tom Koehler
Greg Belisle
Steve Buel - *absent*

Student Representative:

Minna Jayaswal

Staff:

Carole Smith, Superintendent
Caren Huson-Quiniones, Board Office

PUBLIC COMMENT

David Porter stated that with the new of extra funds, he suggested that the Board reopen Kellogg at a cost of \$2 million. He would also like an additional Spanish Immersion Program added at Humboldt, as enough kindergarteners for two strands have been turned away for two years, and native speakers have been turned away from the Beach program.

Greg Burrill commented that it had been an amazing beginning of the year for him. He has substituted in kindergarten all the way to high school classes, and he was getting a picture of what was going on in the District. Too much money was spent on personnel in the central office and not enough on personnel in the schools. Information Technology should be performed by teachers. Mr. Burrill praised the decision to hire an Ombudsman. It was vital that we look at priorities and spend as much money as possible that directly affects student outcomes. Teacher training was needed that benefits teachers instead of administrators.

Scott Overton stated that a more accurate count of students in each school building was needed, and the District also needs to look at the cost of employees. More fte were needed.

Ben Barber commented that the District should spend resources to see if we can improve student achievement in science and maker space education initiatives. Mr. Barber provided documents to the Board on budgets to implement.

Mike Rosen stated that a full day of high school was essential for all students. Mr. Rosen requested that the Board fully fund high schools and gaps in middle schools. The larger high schools need more campus monitors, and more vice-principals were needed. In addition, more media and IT specialists and accountants were needed for the functional operations of high schools. More transparency was needed in the PPS budget document as money just seems to appear at different times throughout the year. Better revenue projections were needed. The District was losing respect from the public on their fiscal responsibilities.

ENDING FUND BALANCE / BEGINNING FUND BALANCE, AND BUDGET CALENDAR

Ryan Dutcher, Interim Chief Financial Officer, provided a PowerPoint presentation and stated that the District was expecting \$16.8 million more in its ending fund balance. The District books would be closed at the end of August in preparation of the audit.

Director Koehler questioned if there was a way to better estimate the ending fund balance before we adopt the next year's budget. David Wynde, Deputy Chief Financial Officer, responded that the earlier staff does it, the more variability there is and the least comfort we have. Director Belisle reminded families that full-day kindergarten was mandated for 2015-16, but the funding was not. Mr. Wynde added that the District must find \$11 million in the general fund to pay for full-day kindergarten.

Co-Chair Adkins questioned PERS and the judgment that was rendered. Mr. Wynde responded that the most significant long-term risk with PERS are the reforms that the legislature passed a year or so ago which resulted in lower increases that the District would have received; those changes are now being challenged in court. If the changes are thrown out, that would put significant pressure on PERS rates. Mitigating that risk was what was happening in investment returns.

Director Koehler mentioned that in terms of the recommendations of going from 3.9% to 5% contingency, those were risk factors the Board was well aware of when they adopted the budget with 3.9% contingency. Now that we have more money and the same risk factors, staff was suggesting we place more in reserves. Mr. Wynde responded that he was clear at the time of the budget adoption that there was a risk in spending down reserves. It was not the same now as staff was also recommending spending another \$5.8 million.

Director Regan stated that she was concerned that the recommendation does not have any urgency on the student achievement and the graduation rate. She wants to see more urgency; she was not inclined to look at putting 5% in reserves. She would like the money to go into the schools for student achievement. She was also concerned about whether or not we were giving the principals the support they need to be instructional leaders. She would also like more information on how we would invest in the Superintendent's three priorities. Director Belisle commented that he was comfortable with 5% in reserves or 4.5%. Student Representative Jayaswal stated that she would like to see more money being spent; the buildings need more support staff. Director Koehler mentioned that he was comfortable with 3.9% contingency, and that even going down to 3% was appropriate. Co-Chair Adkins comments that she felt it would be prudent to increase reserves to 4.5% as there are always uncertainties; she remains cautious and concerned.

Superintendent Smith stated that staff could go back and build some options based on Board input. Director Regan mentioned that she would like to determine how we can start building a band program.

ADJOURN

Co-Chair Adkins adjourned the meeting at 7:54pm

Submitted by:

Caren Huson-Quiniones, Senior Specialist
PPS Board of Education