



2011-2012

Agenda

**Regular Meeting
October 24, 2011**

BOARD OF EDUCATION

Portland Public Schools
Regular Meeting
October 24, 2011

Board Auditorium

Blanchard Education Service Center
501 North Dixon Street
Portland, Oregon 97227

***Note:** Those wishing to speak before the School Board should sign the citizen comment sheet prior to the start of the regular meeting. No additional speakers will be accepted after the sign-in sheet is removed, but citizens are welcome to sign up for the next meeting. While the School Board wants to hear from the public, comments must be limited to three minutes. All citizens must abide by the Board's Rules of Conduct for Board meetings.*

Citizen comment related to an action item on the agenda will be heard immediately following staff presentation on that issue. Citizen comment on all other matters will be heard during the "Remaining Citizen Comment" time.

This meeting may be taped and televised by the media.

AGENDA

1. **BOARD REPORT** 5:00 pm
2. **SUPERINTENDENT'S REPORT** 5:05 pm
3. **STUDENT TESTIMONY** 5:20 pm
4. **CITIZEN COMMENT** 5:35 pm
5. **STUDENT REPRESENTATIVE'S REPORT** 5:55 pm
6. **DISCUSSION OF SUPERINTENDENT'S PROPOSAL
REGARDING MARYSVILLE** 6:00 pm
7. **FIRST READING: CAFETERIA PLAN POLICY AMENDMENT** 6:20 pm
8. **BUSINESS AGENDA** 6:30 pm
9. **REMAINING CITIZEN COMMENT** 6:35 pm
10. **ADJOURN** 6:55 pm

The next meeting of the Board will be a Study Session held on **November 7, 2011**, at **5:00pm** in the Windows Cafeteria at the Blanchard Education Service Center.

NOTE: The Board's agendas are focused on the five strategic operatives of the District as found in the 2005-2010 Strategic Plan: Excellence in Teaching and Learning; Excellence in Operations and Services; Strong Partnerships with Families and Community; Leadership for Results; and Continuous Learning Ethic.

Portland Public Schools Nondiscrimination Statement

Portland Public Schools recognizes the diversity and worth of all individuals and groups and their roles in society. All individuals and groups shall be treated with fairness in all activities, programs and operations, without regard to age, color, creed, disability, marital status, national origin, race, religion, sex, or sexual orientation.

Board of Education Policy 1.80.020-P



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BOARD MEETING STAFF REPORT & SUPERINTENDENT'S RECOMMENDATION

MARYSVILLE K-8

Board Meeting Date: October 24, 2011

Executive Committee Lead: C.J. Sylvester, Chief Operating Officer

Department: Office of School Modernization

Staff Lead: Antonio Lopez - Regional Administrator
Judy Brennan - Director Family Support, School Choices
Sarah Schoening - Executive Director, Office of School Modernization

District Priority: Design and Implement Capital Improvement Plan

I. ISSUE STATEMENT

In a series of listening sessions and discussions, Marysville School teachers, staff, parents and community have reviewed options for bringing Marysville School back to its neighborhood. During these meetings school staff and the community identified opportunities and constraints, and voiced both concerns and support. The most favored options to come from these discussions seemed to be rebuilding the burned portion of Marysville School as a K-8 school or to relocate as a K-8 to the Kellogg School site.

The physical size and number of classrooms contained within the Marysville school building will ultimately put an upper limit on the number of students that can be served well by a K-8 program. Rebuilding Marysville as a K-5 is an alternative grade configuration to rebuilding Marysville as a K-8.

Either rebuilding Marysville or preparing Kellogg for the school would be funded predominantly by insurance proceeds. The project, in either location, will take approximately 14 months from the authorization to proceed to occupancy.

II. BACKGROUND

The Marysville K-8 School community has occupied the Rose City Park school facility since a fire destroyed a portion of the Marysville School in November 2009. The decision to move Marysville students and staff to Rose City Park was based on the readiness of the building to house the Marysville program and on the objective of rapidly resuming school sessions. Kellogg school, which is closer to the Marysville site, was (and is) also vacant, but would have required more work and repair to accommodate the Marysville program.

In 2010, the Board of Education adopted Resolution No. 4381 which authorized staff to leverage insurance funds to rebuild Marysville School with the district's upcoming capital bond measure in May 2011. This would have allowed expanded capacity, building systems and energy usage improvements, full building code upgrade of the entire building, configuration of spaces appropriate for K-8 program and upgrade of the school to provide a 21st century learning environment. The results of the election require that existing funds be optimized for Marysville, and that no further borrowing is feasible at this time.

Staff and the Marysville community engaged in discussion about options for rebuilding using insurance funds. During August and September, 2011, Marysville staff, students, parents, community and district staff collaborated to review options and to collect feedback. Two options evolved as feasible, and the benefits and drawbacks of each were discussed. The two options are:

1. Rebuild and return to the original Marysville school as a K-8 (K-5 being an alternate grade configuration) using approximately \$4.5 million in available insurance funds; or
2. Move the Marysville students to the currently vacant Kellogg School using approximately \$3 million in available insurance funds to make functional repairs to the Kellogg facility and to secure the Marysville School building. This option would also be developed for a K-8 program.

INSURANCE FUNDS

The District's insurance policy for Marysville School covered personal property loss, expenses for moving to another facility, operational costs above and beyond the projected Marysville expenses for a period of one year from the date of the fire and coverage for the replacement of the facility itself. Funds have been received and spent for property and other claims. Additionally, part of the available reimbursement for the damaged school site has been received. These facility replacement funds remain available for either option, subject to the conditions described in the next two paragraphs.

Insurance proceeds for the replacement cost of the building, less depreciation, total approximately \$3,000,000. These funds are not restricted to use at the original Marysville site, and could be used to either rebuild the Marysville School, or be allocated to another facility such as Kellogg.

If these insurance funds are used to rebuild the original Marysville School, insurance proceeds will also reimburse a depreciation value of approximately \$800,000 and will reimburse the cost of building code upgrades to the extent required by state and local jurisdictions. The estimated cost of the anticipated code upgrades is approximately \$700,000 and will be reimbursed based on actual expenses. This would bring the total reimbursement for rebuilding the Marysville School to approximately \$4,500,000.

MARYSVILLE SCHOOL REBUILD OPTION CONSIDERATIONS

The Marysville School has been vacant since the fire in 2009 which damaged approximately 1/3 of the one story wood building. A new roof was applied to the burned portion of the school to protect and maintain that portion of the building. The remainder of the building not impacted by the fire is intact.

Built in 1921, the Marysville School had historic significance. Prior to the 2009 fire, the school in its entirety was found to be eligible and of high significance for the National Register of Historic Places. Prior to the fire, Marysville School was 53,490 square feet and had a Magellan 2009 Modified FCI rating of 66%. The school housed a K-8 program with a Fall 2009 enrollment of 435 students. The school contained 24 classrooms; 19 for general use and 5 specialty classrooms. The science classroom had two sinks and no gas system or lab tables. The art room functioned in a modified standard classroom. The building housed two ½ court sized gymnasiums, one of which had been informally converted to space called the Discovery Zone.

The site is 5.2 acres, and will not accommodate modular classroom buildings. The existing parking lot contains space for 26 cars.

On the north side of the site, a community park was completed in partnership with PDC and the community in 2009. The park was designed for joint use by the school and the community. Marysville School and the park have become a gathering place for the community as a whole. The fenced and damaged school is a blight on the neighborhood and masks the beauty of the park behind it.

Returning students to Marysville in its current boundary configuration would not require bussing for any of its students.

As a single story wood frame building, the original seismic risk was relatively low and will be improved in the area of the rebuilt fire damaged portion.

The rebuild of the Marysville school would include restoring the burned portion of the school to a condition equivalent to its pre-fire condition, installing a new fire alarm and fire sprinkler system throughout the entire facility, seismic and accessibility (ADA) upgrades within the reconstructed portion of the building, increasing visibility from the school office to the school entrance, addition of a new security camera system and providing an accessible ramp at the front entrance.

The Marysville School has limitations in the support of the middle school students (grades 6-8). These limitations include gymnasium size, cafeteria capacity, and science lab configuration and equipment. Early feasibility assessments indicated that an insurance rebuild could provide for an additional 3 classrooms by moving the existing Media Center and Computer Lab into the Discovery Zone (in the burned portion of the building) and repurposing the original media and computer spaces to classrooms. The addition of these classrooms would result in a school capacity much closer to the district K-8 enrollment target of 500 students and would respond to the concern some parents voiced that returning to the original Marysville school site may mean an undersized K-8 program.

At the October 17 work session, some board members were interested in pursuing the development of a full-sized middle school gymnasium (approximately 80' x 68' and able to support youth sized, 42' x 74' full court basketball) to assist in providing improved facilities for a K-8 Program. The former Discovery Zone location is the only space capable of accommodating this option. Under this new scenario, the opportunity to provide the desired additional classrooms would be served by moving the Media Center and Computer Lab into the existing unburned gymnasium. Insurance funds would not be available to renovate these spaces.

Marysville staff and community generated several ideas that would enhance the K-8 program support of the building beyond its pre-fire configuration. The suggestions below have been updated to incorporate the latest input from the Board Work Session on October 17:

- Add partition walls within the current Media Center which would allow it to function as two classrooms and add approximately 50 students to the capacity of the school.
- Move the Media Center and the existing adjacent Computer Lab, which was undamaged by the fire, to the location of the west gymnasium on the opposite side of the corridor. Moving the Computer Lab frees up an additional classroom for standard classroom use.
- Upgrade the existing Science Classroom to provide gas outlets and lab tables.
- Rebuild the burned east gymnasium, more than doubling the square footage to create a larger gymnasium, able to accommodate a full youth basketball court (74' x 42').

Additional suggestions included:

- Fully repainting the building interior;
- Removing existing vinyl siding on the building exterior to replace with siding matching the rebuilt portion.

Costs for this rebuild option are summarized in FISCAL IMPACT below. A reference floor plan of the Marysville School is provided as Attachment C.

KELLOGG SCHOOL OPTION CONSIDERATIONS

Kellogg School was in use as a middle school through the spring of 2007. The school was closed as part of the District's K-8 configuration process. Since its closure it has been used as an AP testing site, a venue for district continuing education programs and furniture storage.

The school, constructed in 1917, has a total of 90,105 square feet and a Magellan 2009 Modified FCI rating of 78%. The facility contains 39 classrooms, two full sized gymnasiums - one with bleachers and a formal stage, two science labs, a full separate cafeteria and an industrial arts room. Although the school most recently functioned as a middle school, it also once operated as an elementary school and has some facilities to accommodate younger students in the building annex. The annex will require the installation of additional restrooms to allow it to function in comparative fashion to other district elementary facilities. The Kellogg facility allows for enrollment that is at or above the target size of 500 students for a K-8 school. There is a strong potential for Kellogg to serve as a point of enrollment relief for nearby overcrowded K-8 schools. A move to the Kellogg site would require boundary changes between more schools, as Kellogg is currently located in the Bridger boundary.

The site is 6.36 acres with a parking lot for 67 vehicles, an asphalt play area, two ball fields and a large soccer field. The site does not currently have a play structure or equipment for small children, though there is space for the installation of such a structure. Additional fencing for security would also be needed.

The three story building was constructed in phases and consists primarily of unreinforced concrete exterior walls covered with brick veneer, reinforced concrete floors, and unreinforced clay tile demising walls. There is no elevator access. Costs of elevator accessibility and seismic improvements are well beyond the allotted insurance funds. Limited seismic improvements were made in 1999 to improve column connections which were constructed as a part of building additions in 1917 and 1922. This building has a higher seismic risk than the Marysville School building.

To accommodate a move from Marysville to Kellogg, proposed improvements to the Kellogg School building would include:

- Roof and wall repairs to prevent water infiltration (roof replacement is not required);
- Repairing leaks in piping and heating equipment and associated repairs of areas impacted by leaks;
- Duct cleaning;
- Replacing loose flooring materials;
- Repairing broken and damaged windows and doors;
- Repairing or replacing ceiling tiles;
- Providing a full fire sprinkler system;
- Replacing lamps and fixtures as needed;
- Adding a security camera system to monitor the front entrance from the office;
- General facilities cleaning and patching;
- Installing a new play structure;

- Providing kitchen equipment including new fume hood with fire suppression; and
- Expanding the existing restroom facilities for students within the annex building.

Estimated future operational costs for Kellogg are slightly higher than those for the Marysville School. A move to Kellogg would require bussing for approximately 50% of the students based on the current boundary configuration. As a larger facility, Kellogg would also require an additional half-time custodian for maintenance.

Community support of a move to the Kellogg School is strongly tied to its ability to house a larger, and perceived stronger, K-8 program than can be accomplished at the original Marysville site and a desire to retain and make use of the Marysville facility.

Reuse of the Marysville School site for this option have not been fully explored. Cost and scope for any necessary improvements or modifications to the Marysville site are dependent on its future use. FAM staff reports there are program operators who may potentially be interested in the remaining Marysville School building.

Costs for this option are summarized in FISCAL IMPACT below. A reference floor plan of the Kellogg School is provided as Attachment D.

ENROLLMENT ANALYSIS

The options described above offer some opportunity to bring the Marysville School size much closer to the district target for K-8 schools and could potentially provide some relief to nearby overcrowded schools. If rebuilding is selected, staff would further analyze student population, identify a K-8 target enrollment, provide a timeline for achieving that target and would monitor the school as a K-8 for assessment in future enrollment balancing. For instance, Harrison Park will be analyzed this school year with likely recommendations for any Board action occurring next school year – meaning implementation in September, 2013.

A rebuilt Marysville is anticipated to be ready for occupancy in January, 2013.

Marysville has operated as a K-8 school since September 2008. Enrollment has declined since the move to Rose City Park, and will likely return to pre-fire levels of 420-450 students after the transition back to Southeast Portland. Current target enrollment for K-8 schools to provide a viable program with standard resources is 500 students. Seventeen of thirty-one K-8 schools have enrollment that is between the 350 and 500 students. Marysville's current enrollment (363) is at the low end of this set of schools. As noted above, enrollment is expected to rise to pre-fire levels of 420-450 students after the school returns to a Southeast Portland location, placing Marysville in the middle of the enrollment range for K-8 schools.

The district intends to develop growth goals for all K-8 schools that are smaller than the target of 500 in conjunction with school leaders and regional administrators. Growth goals would be monitored over several years, and program, boundary and other changes will be considered for schools that are not on track to meet goals. For Marysville, growth could be accelerated with a boundary change from nearby Harrison Park. However, feasibility of such a change is dependent upon an understanding of the actual new capacity of the Marysville building and the outcome of a stakeholder participation process.

SCHEDULE COMPARISON

Although the type of work required for each facility is different, the overall schedules are similar. Both options will require approximately 14 months to complete from the date of a Board decision to the time of occupancy. The design of the Marysville School is relatively minimal but construction will take longer. The design process will take longer on Kellogg and a Conditional Use Permit will need to be renewed since the school has been vacant for a

number of years. The duration of the construction work at Kellogg would be relatively shorter.

III. RELATED POLICIES/BEST PRACTICES

8.80.015-P Capital Improvements – Process for the completion of capital projects.

IV. FISCAL IMPACT

The costs of both of the proposed options are closely tied to the insurance proceeds that are available to them.

Marysville School

Initial Costs: The overall rebuilding costs are estimated to be \$4,500,000 from insurance funds plus an additional \$300,000 from Fund 405. This work would include, in addition to the rebuilding of the burned portion of the school and any code required upgrades, upgrades to the building exterior, interior paint, the science classroom enhancement and the addition of 3 classrooms with the relocation of the Media Center and Computer Lab. Increasing the size of the Discovery Zone Gymnasium could be accomplished for an additional cost of approximately \$550,000. This could be constructed as part of the original reconstruction or as a future addition.

Ongoing Costs: Under current boundary configuration, no bussing is required. No change from pre-fire gross square footage would occur. Better insulation and lighting in the burned portion of the building would provide small reduction in energy usage.

Kellogg School

Initial Costs: Basic improvements to the Kellogg School are estimated to cost approximately \$2,000,000. The Marysville site would require \$500,000 - \$850,000 of demolition and clean-up to allow the building to operate for limited ongoing uses. The future use of the Marysville building and potential partner funding would impact the ultimate total cost of this option.

Ongoing Costs: Under current boundary configuration, bussing for approximately 50% of Marysville students would be required. Larger building gross area would require additional maintenance. Energy costs would be more than the Marysville site since Kellogg is larger, would be occupied rather than vacant and would not have significant changes in building systems or insulation.

Additional estimated cost details are included in Attachment A.

V. COMMUNITY ENGAGEMENT

Conducting the Marysville School out of the Rose City Park school facility has been a challenge for the staff, the students and the community. The District desires to bring that community closer to home soon.

The Superintendent, a board member and district staff attended a community organized picnic at the Marysville School Park on August 13 to hear community feedback and provide notice of a plan to conduct district meetings regarding Marysville School options. During the month of September three community engagement events were held: on September 10 and 13 to gather information from the community; and on September 19 to report and review

concerns and preferences surfaced by the prior discussions. Two similar events with staff occurred on September 6 and 15. On September 17 a public tour was given at the Kellogg School and was repeated with staff on September 19. At the September 19 public meeting, the Superintendent, board members, the Regional Administrator and District staff noted additional feedback and described next steps. Community outreach was broad and included mailings, newsletters and fliers handed out by staff at bus stops and back to school events. Translations and translators were provided. In all, over 100 people attended these events.

A summary of these public meetings and tours is described in Attachment B.

In addition to these community events, a phone number and email address have been established where people can submit thoughts and ideas. District staff attended the Marysville School on opening day and on Back to School Night to respond to comments and questions from the community. A monthly email update has been created in coordination with Communications and school leadership.

Overall, parents, staff and students have expressed a variety of opinions and recognition of limitations within both options. The community was particularly vocal on two issues:

1. A decision one way or the other needs to be made quickly;
2. No matter the decision, something needs to be done with the Marysville School building – it cannot remain in its current state and the community will not be happy with a move to Kellogg if there is no satisfactory resolution for the Marysville building.

The Board of Education met in work session on October 17, 2011, and discussed these issues and provided feedback to staff about their thoughts.

VI. BOARD OPTIONS

Rebuilding Marysville School. The scope of work required to rebuild Marysville School is understood by staff and consultant teams. Insurance proceeds will fund the rebuild of the burned portion of the school facility and the installation of fire alarm and sprinkler systems throughout.

Moving the Media Center and Computer Lab to the west gymnasium location provides for a larger and more efficient Media Center/Computer Lab facility and converting the Computer Lab and pre-existing Media Center space to three classrooms would provide additional classroom (enrollment) capacity while providing Science Lab upgrades will improve the middle school program. These modifications, which would fall at least in part, outside the insurance funding, are planned to be included as a part of the Rebuilding Project to be funded by Fund 405.

The expansion of the Discovery Zone space to a full-sized middle school gymnasium will be bid as an add alternate for Board consideration at the time of bid award, or it can be accomplished as a future addition.

Moving students to Kellogg School. The Marysville K-8 could be housed in the Kellogg School facility and would allow enrollment expansion beyond current enrollment. Program expansion could be considered as the district has the ability to do so. Kellogg currently has a facility condition index (FCI) of 78. The scope of work identified to improve the building is limited and should not be seen as a significant investment in the building.

Support voiced by the Marysville community for a move to Kellogg School has been strongly linked with a desire for a plan for the reuse of the Marysville building. If this recommendation is pursued, staff could pursue solicitation of proposals for the reuse of Marysville School.

VII. STAFF RECOMMENDATION

Staff recommends the Board authorize the rebuild of the Marysville School as a K-8 at its original location with a budget not to exceed available insurance funds and \$300,000 from Fund 405 for the base contract work, including the provision for the design of potential improvements that will facilitate a more robust K-8 program. This recommendation is based on:

1. The community's preference for Marysville to remain a K-8.
2. The increased value received in insurance funding.
3. The improved seismic and ADA compliance condition afforded by the Marysville site.
4. The school's central location to the community.
5. The ability to increase the school's capacity which provides potential to support future enrollment balancing.
6. The ability to establish target enrollment and provide a timeline for achieving that target.

VIII. TIMELINE FOR IMPLEMENTATION/EVALUATION

Staff is prepared to engage the necessary professional services immediately upon Board authorization. The time frame for completion of the work is about fourteen (14) months from the date of authorization.

I have reviewed this staff report and concur with the recommendation.



Carole Smith
Superintendent
Portland Public Schools

10-19-2011
Date

ATTACHMENTS

- A. Summary of Work Scopes and Estimated Costs
- B. Community Meeting Summary
- C. Marysville School Floor Plan
- D. Kellogg School Floor Plan

Marysville Rebuild

Budget: \$4,500,000 Insurance Funds; \$300,000 Fund 405
Schedule: 14 months

Scope of Work

Reconstruct interior & exterior burned portion of building including hazardous materials abatement at burned portion, new all-building fire alarm system, and new all-building fire sprinkler system, paint interior of existing building.

Repair exterior existing landscaping, overall grounds clean-up, add accessibility ramp at entrance, add additional visibility and security camera at building primary entrance, remove vinyl siding at existing building and replace with new wood siding to match new construction, repaint existing exterior to match rebuild.

Move existing Media Center and Computer Lab to West Gymnasium, convert existing Media Center to 2 classrooms including new walls and finishes, rebuild burned Discovery Zone as new gymnasium with opportunity for expansion to full-sized middle school gym, and create new Science Lab within existing classroom, providing new gas outlets, lab tables, sinks, and casework.

Add Alternate 1: Expand newly rebuilt Discovery Zone Gymnasium to create a full-sized middle school gymnasium 68' x 80' accommodating full court 42' x 74' youth basketball court, and add higher basketball hoops. **Estimated Cost: \$554,000.**

All primary work includes: Soft Costs of Design, Permitting and Project Management; and Other Hard Costs of Phone systems, Moving from RCP, Printing and Bid Costs; and 10% Contingency.

Kellogg Preparation for Students

Budget: \$3,000,000 (\$2 – \$2.5 million for Kellogg; \$500,000 to \$850,000 for Maryville)
Schedule: 14 months

Scope of Work

Interior Repairs: Replace toilets and sink faucets, add new toilets at annex building, replace ceiling tiles, repairs to heating system, test alarm system, repair emergency generator, repair/replace broken light fixtures & lamps, replace carpets, refinish gym floors, clean hard floors, repair loose flooring, new interior paint, new white boards (where needed), new cafeteria tables, provide new bath accessories, overall facility cleaning.

Exterior Repairs: Roof repairs, exterior masonry repairs, replace broken windows, exterior painting, grounds cleaning, restripe parking lot, patch hole in parking lot.

Improvements: Install fire sprinkler system; repair old and provide new kitchen equipment, upgrade IT system, new play structure, new perimeter fencing.

Proposed Estimate of cost work includes: Soft Costs of Design, Permitting and Project Management; and Other Hard Costs of Phone systems, Moving from RCP, Printing and Bid Costs; and 10% Contingency.

Budget includes \$500,000 to \$850,000 for partial demolition and repair of Marysville dependent on anticipated future use.

MARYSVILLE REBUILD

COMMUNITY PROS	COMMUNITY CONS
Rebuilds community; “brings emotional healing.”	Limited space for K-8; number of students limits future opportunities.
Have \$4.5 million in insurance funds to rebuild burned portion.	Concern that Marysville, as a K-8, is not large enough.
Better seismic condition than Kellogg.	Concern that school may become a K-5; K-8 seemed to be preferred.
Better accessibility for wheelchairs and strollers than Kellogg.	Rebuilding Marysville is building for the present and not for future growth.
Allows full fire sprinklers and alarms.	Less opportunities for 6-8 students in a smaller school.
Potential for partial science lab.	
Adjacent to beautiful park.	
School population and increased activity will minimize issues in park.	
Like having small community schools, need to keep these types open.	
Like being able to walk to school--sustainable.	
District promised to rebuild Marysville.	
Marysville is a good size as a K-5.	

KELLOGG MOVE

COMMUNITY PROS	COMMUNITY CONS
Provides for future growth, including more learning options.	Have \$3.0 million instead of \$4.5 million in insurance.
Has the potential for full middle school program and facilities for younger students.	Bigger school requires more work ultimately - not enough now to fully rebuild.
Can have play structure for younger/smaller students.	Requires bussing for 50% of current students.
Building for Kellogg is building for the future.	Too much space for current school size.
Increased/better parking.	Currently no covered play area.
Nearly doubles the square footage of Marysville.	More challenges for disabled. Harder access for wheelchairs and strollers to first floor--no upper floor access (like RCP).
Provides other opportunities for reuse of unburned portion of Marysville.	Concerned about busy street (Powell).
	What do we do when Kellogg is rebuilt? Is it on list of priorities?
	Concerned about what will happen to Marysville--decision must be made.
	Could disengage Marysville community.

Summary

- Rebuilds burned portion of facility
- Fire sprinkler & alarm upgrades only
- Can be accomplished with insurance proceeds

Area: 53,490 ft²

- 2 Gymnasiums
- 1 Cafeteria
- 19 Classrooms
- 0 Science
- 0 Art
- 1 Music
- 1 Computer Labs
- 2 ESL
- 1 SPED

Construction Schedule:

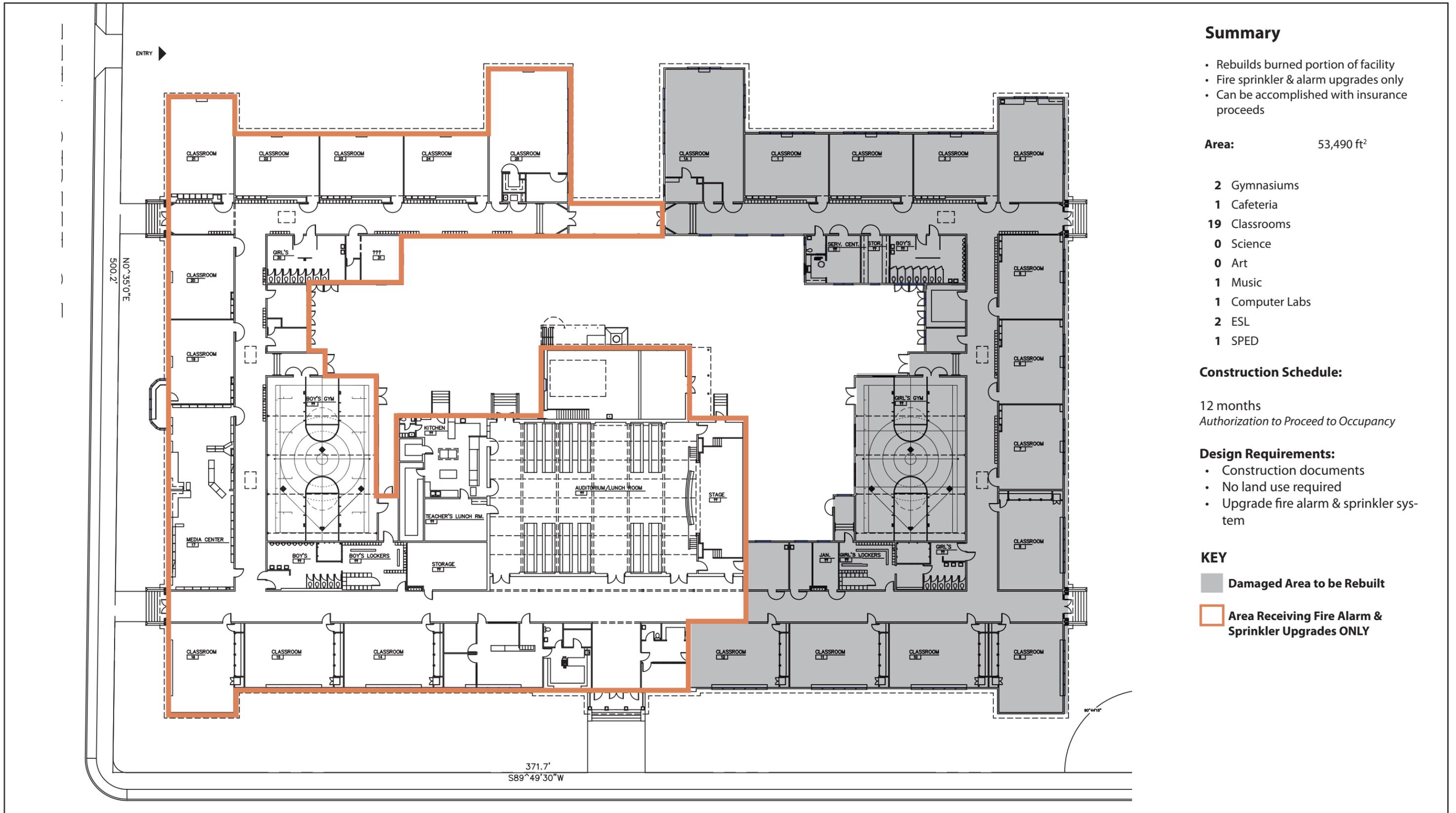
12 months
Authorization to Proceed to Occupancy

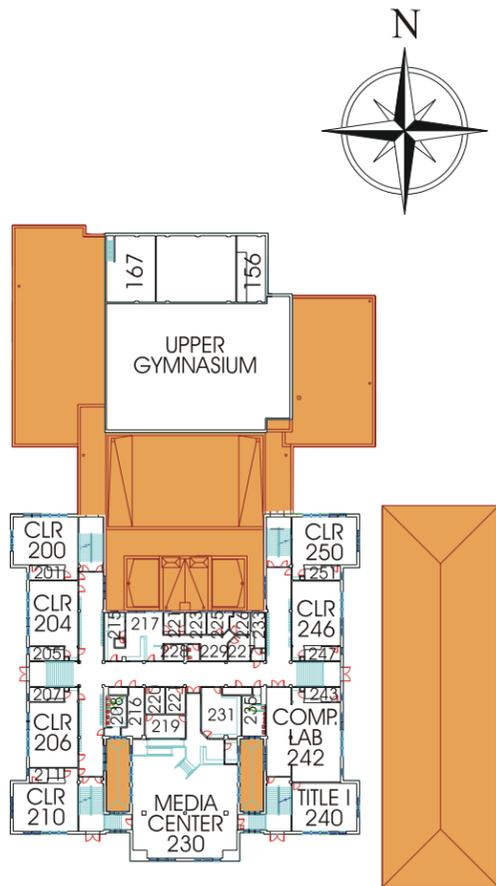
Design Requirements:

- Construction documents
- No land use required
- Upgrade fire alarm & sprinkler system

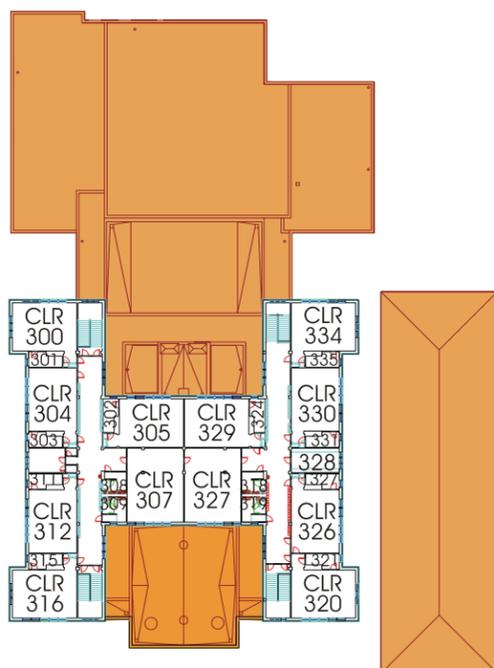
KEY

- Damaged Area to be Rebuilt
- Area Receiving Fire Alarm & Sprinkler Upgrades ONLY

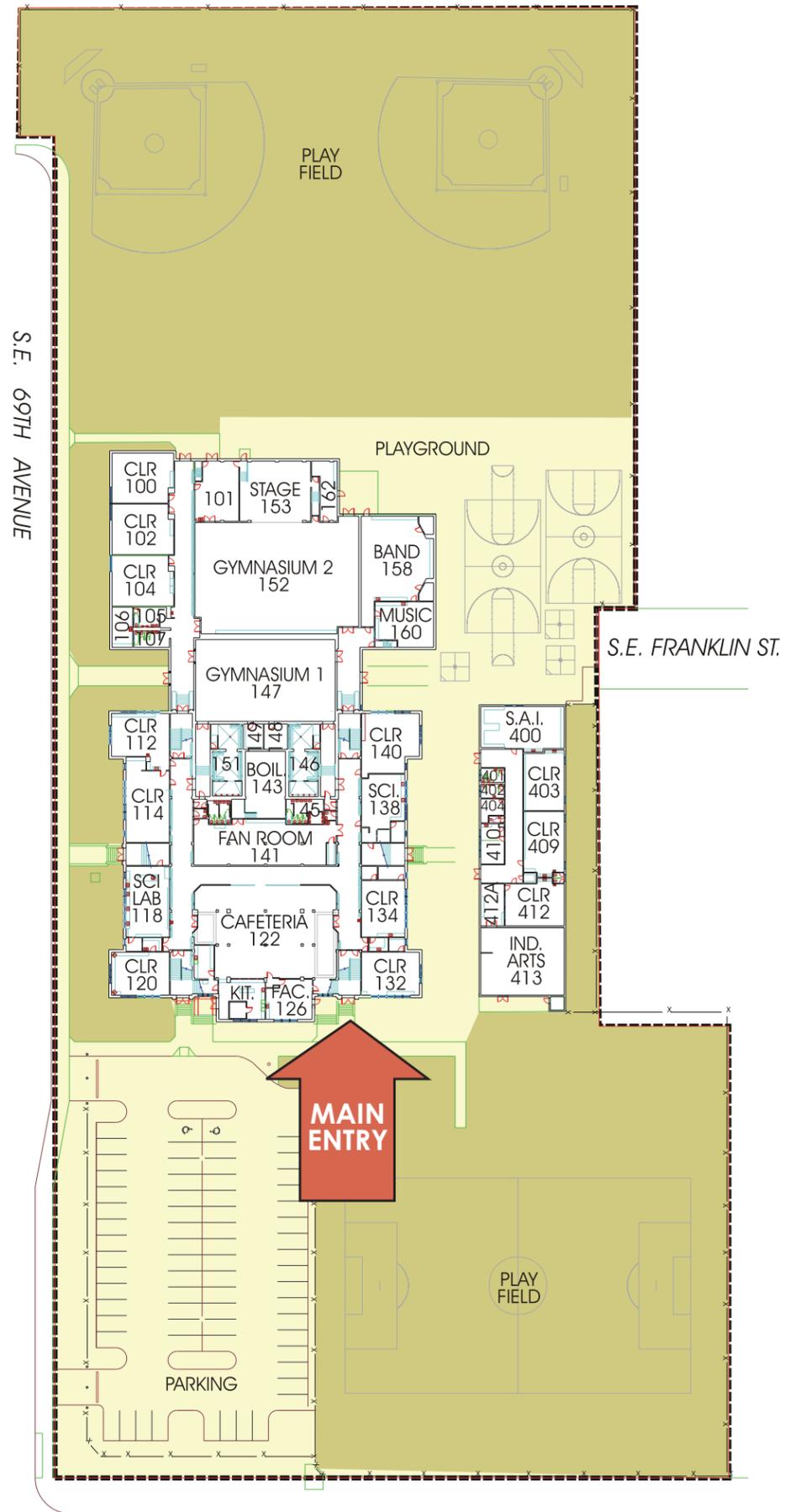




SECOND FLOOR PLAN



THIRD FLOOR PLAN



GROUND FLOOR / SITE PLAN S.E. POWELL BLVD.

Option Summary

Grades: 6-8 (originally)
Capacity: 862
Area: 90,105 ft²

- 2 Gymnasiums
- 1 Cafeteria
- 31 Classrooms
- 2 Science
- 1 Art
- 2 Music
- 1 Computer Labs
- ESL
- SPED
- 1 Home Economics



DRAFT

RESOLUTION No.

Resolution to Approve the Rebuild of Marysville School

RECITALS

- A. In November 2009, a fire irreparably damaged approximately a third of Marysville School. Marysville students and staff have moved to Rose City Park School approximately five miles north of the Marysville School site. Marysville students are bussed to the site.
- B. In 2010, the Board of Education voted (Resolution 4381) to use insurance proceeds for the rebuild of the Marysville School building to leverage funding from the district's proposed capital bond to expand and improve Marysville School to provide a 21st century learning environment. Schematic design and construction documents were developed for the proposed expansion and renovation. The defeat of the capital bond measure in May 2011 required a complete reassessment of options for the Marysville School.
- C. The full amount of insurance funding for the rebuild of the Marysville School remains available to the district.
- D. In the months after the bond election, the Marysville community, teachers, board members, and district staff engaged in a variety of events to discuss options for the future of Marysville School. Three community events during the month of September looked at the options of rebuilding the Marysville School building or moving Marysville School to the Kellogg School site.
- E. Community dialogue voiced many arguments for and against the various options. Both options can be funded with insurance proceeds. While a move to Kellogg would allow greater enrollment in the Marysville K-8 program, the rebuild of Marysville School returns a cherished school building to the heart of Marysville neighborhood, allows the opportunity for all students to walk to school, provides enhanced seismic and ADA compliance, increases the value received in insurance funding, provides some enhanced ability for enrollment balancing, and foregoes the question of future use of the remaining Marysville School building if students move to Kellogg School.
- F. Adding classrooms and upgrading the science room in the Marysville building as part of the rebuild would allow additional capacity for the school and not trigger the immediate boundary adjustments necessary with relocating to Kellogg School.
- G. Approximately \$4.5 million in insurance funds are available to rebuild Maryville school including funding for the depreciation of the building and fire and life safety upgrades to include full building fire alarm and fire sprinkler systems. An additional \$300,000 from Fund 405 will accommodate improvements to include 3 additional classrooms and a Science Lab contributing to a more robust K-8 program.

RESOLUTIONS

1. The Board of Education affirms its support of the Marysville community and recognizes the trauma the November 2009 fire brought to the community. The Board commends the endurance of the community and staff during its displacement over the past two years. The

Board also affirms its commitment to locating the Marysville School community to a permanent facility and providing support to its program to the greatest extent possible.

2. The Board recognizes the value of the Marysville School building to the community and neighborhood, and acknowledges the impact that the loss of the Marysville program has had to its families and neighbors.
3. The Board affirms the opportunities afforded by the rebuild of the Marysville School to incorporate classroom modifications and upgrades to the extent fiscally possible in further support of the Marysville program. Therefore the Board approves the rebuild of the Marysville School to include:
 - a. Rebuilding the burned portion of the school,
 - b. Rebuilding the burned Discovery Zone as a half-sized middle school gymnasium with the opportunity to expand to a full-sized middle school gymnasium in the future,
 - c. Relocating the Media Center and Computer Lab to the old West Gymnasium,
 - d. Reconfiguring the Media Center to house 2 new classrooms and the old computer lab to house 1 classroom.
 - e. Paint exterior of existing building,
 - f. Replace existing siding to match new, and
 - g. Install gas lines and lab tables to a classroom for enhanced use as a science lab.
4. The Board affirms a desire for continued dialogue and collaboration with the Marysville community as the redevelopment of the building occurs.
5. The Board reinforces a desire to identify a K-8 target enrollment and monitor the Marysville school as a K-8 to ensure that it is able to meet growth goals and participate in future enrollment balancing.
6. The Board approves the rebuild of Marysville School in accordance with recommendation in the attached staff report and preliminary cost estimate dated October 24, 2011 and authorizes the Superintendent or her designee to engage in the activities identified in the timeline for implementation portion of the staff report.

C. Sylvester / S.Schoening
10/24/11

Portland Public School District 1st Reading

DATE: October 24, 2011

Notice of Proposed Amendment to Policy and Public Comment for Cafeteria Plan (Policy 5.10-090-P)

The Portland Public School District is providing Notice of Proposed Policy and Public Comment to offer interested parties reasonable opportunity to submit data or comments on the proposed policies noted below.

Public comment may be submitted in writing directly to the district or through the district Web site noted below. Written comments must be submitted by 5:00 p.m. on the Last Date for Comment listed below.

1st Reading by: Pamela Knowles, Co-Chair, Portland Public School Board
Summary: Proposed Policy Amendment to Cafeteria Plan

Draft Policy Web Site:

<http://www.pps.k12.or.us/departments/board/872.htm>

(click on draft policy link).

Recommended for 1st Reading by: Board of Education

Policy Contact: Caren Huson

Last Date for Comment: November 14, 2011

Address: P.O. Box 3107, Portland, OR 97208-3107

Telephone: 503-916-3741

E-mail: chusonqu@pps.net

Last Date for Comment: November 14, 2011



PORTLAND PUBLIC SCHOOLS

P.O. Box 3107 / Portland, Oregon 97208-3107

Telephone: (503) 916-3741 • FAX: (503) 916-2724

SUPERINTENDENT'S RECOMMENDATION TO THE BOARD AND STAFF REPORT

TITLE: CAFETERIA PLAN BOARD POLICY 5.10.090-P SECOND AMENDMENT

Board Study Session Meeting Date: 10/17/2011

District Priority: Federal Compliance

Board Meeting Date: 10/24/2011

Executive Committee Lead: Michelle Riddell

Department: Human Resources

Staff Lead: Terri Burton

I. ISSUE STATEMENT

Second amendment of Cafeteria Plan Board Policy 5.10.090-P required to comply with Federal law, due to addition of a health insurance opt-out monthly cash payment option for non-represented and SEIU employees.

II. BACKGROUND

The District established the Portland Public Schools Cafeteria Plan (the "Plan") effective May 1, 1994. The Plan was last amended and restated effective January 1, 2006 and was last amended effective January 1, 2011. The District intends that this Plan continue to satisfy the requirements of Section 125 of the Internal Revenue Code of 1986, as amended.

III. RELATED POLICIES/BEST PRACTICES

This policy amendment was advised and drafted by Mia Butzbaugh at Miller Nash, legal counsel for the District. This policy amendment came about due to the implementation of the opt-out option described in Section II of this document with an effective October 1, 2011. The opt-out option serves as an incentive for employees who attest to having other coverage. An executive summary of the opt-out option is attached for reference.

IV. FISCAL IMPACT

Implementation of the opt-out option will create a health insurance premium savings to the District. Taxable, monthly opt-out payments to employees who choose to not enroll in benefits will be in the amount of \$200. This payment is significantly lower than the District's portion of health insurance premium paid if employee opts in to health insurance, creating a savings to the District. An estimated annual savings analysis attached.

V. COMMUNITY ENGAGEMENT

Miller Nash legal counsel, SEIU union representation, Oregon Educators Benefit Board (OEBB), conducted OSBA survey regarding opt-out plan design options offered in different Oregon school districts and participation levels.

VI. BOARD OPTIONS

Board approval of this amendment is requested to satisfy requirements under Section 125 of the Internal Revenue Code of 1986. This amendment is necessary for Portland Public Schools to remain federally compliant, with regards to their benefit plans.

VII. STAFF RECOMMENDATION

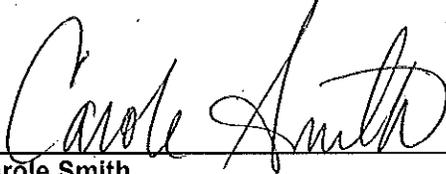
PPS Human Resources Department recommends adoption of this amendment by Portland Public Schools Board of Education effective October 1, 2011.

NOTE: As these are routine updates to the Cafeteria Plan policy, this is not scheduled as a discussion item at a study session. Lead staff will be available at the October 24th Board meeting. Board members should contact the Board office or Terri Burton at 503-916-3046 with any questions.

VIII. TIMELINE FOR IMPLEMENTATION/EVALUATION

10/17/2011 Board Committee meeting
10/24/2011 First reading of policy Amendment
11/29/2011 Second reading and approval of policy amendment

I have reviewed this staff report and concur with the recommendation to the Board.



Carole Smith
Superintendent
Portland Public Schools

10.11.2011

Date

ATTACHMENTS

(List all supporting documentation, including resolution, etc.)

- A. Opt-out option explanation and savings analysis
- B. Marked copy of second amendment to Cafeteria Plan board policy #5.10.090-P
- C. Marked copy of plan document second amendment

PPS District Priorities FY 2011-12

- 1. Improve milestone outcomes
- 2. Successful implementation of High School System Design
- 3. Improve English Language Learners and Special Education Services
- 4. Increase cultural competence and diversity of staff
- 5. Build shared leadership and accountability for results
- 6. Measure and report on effectiveness of schools and programs
- 7. Design and implement Capital Improvement Plan
- 8. Deepen community and student engagement

Portland Public Schools 2011-2012 OEGB Open Enrollment

Opt-Out Cash

All full-time employees will have the option to waive participation in OEGB medical/RX and dental plans with proof of other medical coverage and receive opt-out cash in lieu of benefits. Retirees and part-time employees will not be eligible to receive opt-out cash.

While various levels of opt-out cash were considered as well as different amounts for single employees vs. families, the final recommendation is \$200 per month for waiving medical/rx and dental coverage, regardless of dependent enrollment.

There are currently 34 employees who are opting out of medical coverage for the 2011-2012 plan year, beginning October 1, 2011. The estimated potential District premium savings for 2011-12 plan year is \$310,066.20. Please see attached spreadsheet outlining how those savings will be realized.

2011 Opt Out Analysis

23 Employees waived 9/30/11
12 New Opt Out for 10/1/11
34 Total Opt Out 10/1/11

Savings	\$ 394,066.20
Annual Cost	\$ 84,000.00
Total Annual Savings (less opt out incentive)	\$ 310,066.20

Savings assumed that if an employee had previous coverage, the district cost is applied for that same coverage. If the employee previously waived, then the district cap of \$976 is applied.

ID	Coverage as of 9/30/11	Coverage as of 9/30/11	Savings/Month	Cost	Plan	Group
017651	Kaiser w/ KP dntl & vision FT	EE + Child(ren)	\$ 847.37	\$ 200.00	OPOUTL	ADM
006638	Kaiser - no dental no vision FT	EE + Spouse	\$ 967.96	\$ 200.00	OPOUTL	ADM
007762	ODS7 no dental no vision FT	EE + Spouse	\$ 967.96	\$ 200.00	OPOUTL	ADM
016384	ODS6 w/ dental no vision FT	EE + Spouse + Child(ren)	\$ 1,369.29	\$ 200.00	OPOUTL	ADM
016480	ODS7 w/ dental & vision FT	EE + Spouse + Child(ren)	\$ 1,369.29	\$ 200.00	OPOUTL	ADM
020165	ODS7 w/ dental & vision FT	EE + Spouse + Child(ren)	\$ 1,369.29	\$ 200.00	OPOUTL	ADM
020289	Kaiser w/ ODS dntl & vision FT	Employee Only	\$ 444.42	\$ 200.00	OPOUTL	ADM
019946	ODS6 w/ dental & vision FT	Employee Only	\$ 444.42	\$ 200.00	OPOUTL	ADM
008568	ODS9 w/ dental & vision FT	Employee Only	\$ 358.29	\$ 200.00	OPOUTL	ADM
000389	ODS9 w/ vision no dental FT	Employee Only	\$ 308.60	\$ 200.00	OPOUTL	ADM
019980	Kaiser w/ KP dntl & vision FT	EE + Spouse	\$ 967.96	\$ 200.00	OPOUTL	ADM
020328	New Hire		\$ 976.00	\$ 200.00	OPOUTL	ADM
020327	Waived		\$ 976.00	\$ 200.00	OPOUTL	ADM
019667	Waived		\$ 976.00	\$ 200.00	OPOUTL	ADM
019651	Waived		\$ 976.00	\$ 200.00	OPOUTL	ADM
016098	Waived		\$ 976.00	\$ 200.00	OPOUTL	ADM
020287	Waived		\$ 976.00	\$ 200.00	OPOUTL	ADM
008710	Waived		\$ 976.00	\$ 200.00	OPOUTL	ADM
020366	Waived		\$ 976.00	\$ 200.00	OPOUTL	ADM
009434	Waived		\$ 976.00	\$ 200.00	OPOUTL	ADM
016052	Waived		\$ 976.00	\$ 200.00	OPOUTL	ADM
020358	Waived		\$ 976.00	\$ 200.00	OPOUTL	ADM

2011 Opt Out Analysis

005608 Waived	\$	976.00	\$	200.00	OPOUTL	ADM
016490 Waived	\$	976.00	\$	200.00	OPOUTL	ADM
006535 Waived	\$	976.00	\$	200.00	OPOUTL	ADM
015812 Waived	\$	976.00	\$	200.00	OPOUTL	ADM
020220 Waived	\$	976.00	\$	200.00	OPOUTL	ADM
017318 Waived	\$	976.00	\$	200.00	OPOUTL	ADM
019977 Waived	\$	976.00	\$	200.00	OPOUTL	ADM
020193 Waived	\$	976.00	\$	200.00	OPOUTL	ADM
020209 Waived	\$	976.00	\$	200.00	OPOUTL	ADM
017018 Waived	\$	976.00	\$	200.00	OPOUTN	SEIU
007719 Waived	\$	976.00	\$	200.00	OPOUTN	SEIU
018440 Waived	\$	976.00	\$	200.00	OPOUTN	SEIU
007976 Waived	\$	976.00	\$	200.00	OPOUTN	SEIU

SEP 20 2011

**PORTLAND PUBLIC SCHOOLS
CAFETERIA PLAN**

SECOND AMENDMENT

P A R T Y

This Second Amendment is adopted, effective October 1, 2011, by the School District No. 1, Multnomah County, Oregon ("District").

R E C I T A L S

The District established the Portland Public Schools Cafeteria Plan (the "Plan") effective May 1, 1994.

The Plan was last amended and restated effective January 1, 2006, and was last amended effective January 1, 2011.

The District intends that this Plan continue to satisfy the requirements of Section 125 of the Internal Revenue Code of 1986, as amended.

The District wishes to amend the Plan in certain respects.

A M E N D M E N T

The PORTLAND PUBLIC SCHOOLS CAFETERIA PLAN is hereby amended, effective October 1, 2011, or as of such earlier or later dates as indicated below or as provided herein, as set forth on the pages attached hereto, which are incorporated herein by reference as follows:

1. TABLE OF CONTENTS at pages i and iii.
2. ARTICLE 4—PARTICIPATION
 - 4.1(d) at pages 7 and 7a.
3. ARTICLE 5—CREDITS AND REIMBURSEMENT PROCEDURES
 - a. 5.1 at pages 15 and 16.
 - b. 5.2(c) at page 16.
 - c. 5.5(b) at pages 16a and 16b.

4. EXHIBIT B is added at page B-1.

5. EXHIBIT C is added at page C-1.

The District has caused this amendment to be executed by its duly authorized representative as of the date indicated below.

**SCHOOL DISTRICT NO. 1,
MULTNOMAH COUNTY, OREGON**

By: _____

Print Name: _____

Date: _____

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ARTICLE 4

PARTICIPATION

4.1 Election to Participate. The participation election form shall be signed by the Eligible Employee, shall designate the benefits in which the Eligible Employee elects to participate, and shall designate the Plan Year (or the remaining portion of the Plan Year) as the time period for which participation will be effective. The election form shall also specify the amounts by which the employee's Compensation shall be reduced or the amount of such reduction shall be determinable from that form. A Participant's Compensation reduction election must satisfy the minimum and maximum elective contribution requirements in 5.3.

An election form filed by a Participant is subject to acceptance, modification, or rejection by the Plan Administrator. The Plan Administrator may modify or reject an election in order to satisfy the terms of this Plan or applicable legal requirements.

An Eligible Employee may elect to receive one or more of the following benefits, all of which (except the cash benefit) shall be paid or reimbursed under this Plan by a Compensation reduction agreement with the employee:

(a) **Premium Payment Benefit.** This benefit consists of the Participant's share of the cost of the premiums under the District-provided group health plans to the extent that coverage under such plans is excludible from income under Code Section 106. The terms, conditions, and benefits of the various health plans are set forth in separate plan documents which are incorporated herein by this reference.

(b) **Health Care Expense Reimbursement Benefit.** This benefit consists of Health Care Expenses incurred by the Participant that are reimbursable under the health care reimbursement program set forth in Article 9.

(c) **Dependent Care Expense Reimbursement Benefit.** This benefit consists of Dependent Care Expenses incurred by the Participant that are reimbursable under the dependent care assistance program set forth in Article 10.

(d) **Cash Benefit.** This benefit consists of taxable cash compensation payable in substantially equal amounts ratably over the Plan Year or over the portion of the Plan Year during which the Participant's Compensation is generally paid when the Participant has elected to be compensated on a school year basis.

An eligible Participant may elect to receive a portion of the District contribution as taxable cash compensation instead of electing coverage under a District-provided group health plan. The eligibility and other requirements for cashing out the District contribution are set forth in Exhibit B, which is attached hereto and incorporated by reference herein. Exhibit B may be revised from time to time by the Plan Administrator without a formal amendment of this Plan document.

4.2 Election Procedures. The following rules shall govern an Eligible Employee's elections under this Plan:

(a) **Initial Participation.** Except as otherwise provided in 4.3, if the Eligible Employee does not make the participation election before the employee is to begin participation under 3.1, the employee's election may be made only

ARTICLE 5

CREDITS AND REIMBURSEMENT PROCEDURES

5.1 Credits to Plan. The following rules shall govern the Compensation reduction credits to this Plan during a Plan Year:

(a) **Establishment of Accounts.** For each Participant, the Plan Administrator shall establish a separate Account for each reimbursement benefit under 4.1 for the Plan Year.

(b) **Compensation Reduction Credits.** For each Participant, the amount by which the Participant elects to reduce his or her Compensation for a specific benefit shall be deducted from the Participant's Compensation during the Plan Year by payroll deduction and credited to the Participant's Account for such benefit or credited against the cost of that benefit as determined by the Plan Administrator.

(c) **District Contributions.** Prior to the beginning of each Plan Year, the District shall determine the amount to be credited to each Participant for the purchase of benefits described in 4.1. The amount so established for each Plan Year shall be set forth in Exhibit C, to be attached hereto and incorporated by reference herein. The Plan Administrator may change the District contribution amount set forth in Exhibit C without amending this Plan. District contributions or credits may be made in substantially ratable installments throughout the Plan Year.

(d) **Records of Contributions.** The Plan Administrator shall maintain appropriate records and shall record the amounts credited for a Participant for a specified benefit under (b) and (c) above in the Participant's Account established for such benefit.

(de) **Allocation of Expense.** An eligible Dependent Care Expense submitted for reimbursement by a Participant shall be paid only from the Account established for such Participant for such expense and only to the extent of the amount recorded in the Account (after deducting earlier reimbursements made during the Plan Year). The maximum amount of Health Care Expense reimbursement under Article 9 must be available at all times during the Plan Year (properly reduced as of any particular time for prior reimbursements for the same Plan Year). Thus, the maximum amount of Health Care Expense reimbursement at any particular time during the Plan Year cannot be limited to the amount recorded in the Account at that time. Reimbursement will be deemed to be available at all times if it is paid at least monthly or when the total amount of the claims to be submitted is at least a specified, reasonable minimum amount (e.g. \$50).

(ef) **Unused Amounts.** An amount remaining in an Account after the Participant has submitted all reimbursable expenses for the Plan Year of the type for which the Account is established, shall not be carried over to a subsequent Plan Year, nor shall such amount be paid, directly or indirectly, to the Participant in cash or in the form of any other benefit.

5.2 Reimbursement Payment Procedures. The following rules shall govern the reimbursement of a Participant's eligible expenses under a reimbursement benefit:

(a) **Reimbursement Request.** The Participant shall submit a written request for reimbursement on the form or forms provided by the Plan Administrator. Requests for reimbursement shall be made at such time or times as specified by the Plan Administrator; however, eligible expenses incurred during a Plan Year must be submitted for reimbursement not later than three months after the close of the Plan Year. Eligible expenses that are not submitted on a timely basis in accordance with this 5.2(a) shall not be reimbursed.

(b) **Documentation.** A Participant's written request for reimbursement shall establish that the expense was incurred during the applicable time period, and must state that the amount has not been reimbursed and is not reimbursable under any other health plan or dependent care plan, and that the amount will not be used in connection with a deduction or credit on the Participant's federal income tax return. No advance reimbursement may be made of future or projected expenses. The written request must be accompanied with a written statement from an independent third party stating that the expense has been incurred and the amount of such expense.

(c) **Payment.** A Participant's request for reimbursement, when approved by the Plan Administrator, shall be paid as soon as reasonably practicable following such approval. Payments shall only be made in reimbursement to a Participant and shall not be made directly to a service provider. Except as provided in 5.1(de), reimbursements to a Participant shall not exceed the amount available in the Participant's Account for the type of expense for which reimbursement is requested.

5.3 Amount of Elective Contributions. The maximum benefits that any Participant may receive from this Plan for a Plan Year shall be the annual amount of the Participant's share of the cost of the District-provided group health plan premiums for the Premium Payment Benefit, plus \$20,000. The minimum amount of elective contributions that may be elected by any Participant shall be \$20 per month.

Notwithstanding the foregoing, effective January 1, 2013, the maximum amount of salary reduction contributions available to any Participant under this Plan for a Plan Year for the health care reimbursement account program shall equal \$2,500 (plus cost-of-living adjustments permitted under applicable law).

5.4 Expense Reimbursement After Participation Terminates. If, during a Plan Year, a Participant terminates employment, transfers to an ineligible class of employees, or

ceases to make required contributions, he or she may nevertheless submit eligible Dependent Care Expenses incurred during the remainder of that Plan Year to the Plan Administrator for reimbursement under the dependent care reimbursement account program.

If a Participant terminates employment with the District or transfers to an ineligible class of employees and revokes his or her existing benefit elections, the Plan Administrator shall reimburse the Participant for any amount previously paid for coverage or benefits under the health care reimbursement program relating to the period after the termination or transfer.

5.5 Qualified Reservist Distributions. Notwithstanding any other Plan provision to the contrary, a Participant may request a qualified reservist distribution from the Participant's health care reimbursement account.

(a) Definition of Qualified Reservist Distribution. A qualified reservist distribution is a distribution to a Participant of all or a portion of the balance in the Participant's health care reimbursement account if: (1) the Participant is a qualified reservist as defined in (b) below, and (2) the request for a distribution is made during the period specified in (e) below.

(b) Distribution Definition of Qualified Reservist. A qualified reservist is a Participant who is, by reason of being a member of a reserve component (as defined in 37 U.S.C. § 101), ordered or called to active duty for a period of 180 days or more or for an indefinite period. The Plan Administrator may rely on the order or call to determine the period of active duty. If the order or call specifies that the period is for 180 days or more or is indefinite, the Participant is a qualified reservist, even if the actual period of active duty is less than 180 days or is otherwise changed. If the period of active duty specified in the order or call is less than 180 days, the Participant is not a qualified reservist unless subsequent calls or orders increase the total period of active duty to 180 days or more.

(c) Amount Available. The amount available as a qualified reservist distribution is the amount contributed to the Participant's health care reimbursement account as of the date of the request for distribution minus reimbursements received from the account as of the date of the request.

(d) Procedures. A Participant must make a written request to the Plan Administrator to receive a qualified reservist distribution. The Plan Administrator must receive a copy of the order or call to active duty before a distribution can be made. Only one qualified reservist distribution is permitted with respect to a Participant during a Plan Year. A Participant may submit requests for reimbursement for medical expenses incurred before the date of the request for a qualified reservist distribution and such reimbursements will be paid in accordance with Article 5 (taking into account the amount of the qualified reservist distribution as a reimbursement). A Participant may not submit requests for reimbursement for medical expenses incurred on or after the date of the request for distribution.

(e) **Timing of Requests and Distributions.** A request for a qualified reservist distribution must be made on or after the date of the order or call to active duty and before the last day of the Plan Year during which the order or call to active duty occurred. The health care reimbursement account program shall pay the qualified reservist distribution to the Participant within a reasonable time, but not more than 60 days after the date of the request for a distribution. A qualified reservist distribution may not be made with respect to a Plan Year ending before the order or call to active duty.

**EXHIBIT B
PORTLAND PUBLIC SCHOOLS
CAFETERIA PLAN**

**Cash Out of District Contribution
(Referent Section 4.1(d))**

A Participant for whom the Plan Year under Exhibit A would be October 1 through September 30 shall be entitled to \$200 in taxable cash compensation in each month in which he or she elects not to receive (and does not receive) coverage under the District's medical, dental, and vision plans, provided the Participant demonstrates to the Plan Administrator's satisfaction that he or she has coverage under another group medical plan, including a government provided basic medical plan.

**EXHIBIT C
PORTLAND PUBLIC SCHOOLS
CAFETERIA PLAN**

**District Contribution
(Referent Section 5.1(c))**

The amount of the District monthly contribution for each Plan Year for each Participant shall be the District's share of the premium for coverage under the District-provided group health plans.

SEP 20 2011

ARTICLE 4

PARTICIPATION

4.1 **Election to Participate.** The participation election form shall be signed by the Eligible Employee, shall designate the benefits in which the Eligible Employee elects to participate, and shall designate the Plan Year (or the remaining portion of the Plan Year) as the time period for which participation will be effective. The election form shall also specify the amounts by which the employee's Compensation shall be reduced or the amount of such reduction shall be determinable from that form. A Participant's Compensation reduction election must satisfy the minimum and maximum elective contribution requirements in 5.3.

An election form filed by a Participant is subject to acceptance, modification, or rejection by the Plan Administrator. The Plan Administrator may modify or reject an election in order to satisfy the terms of this Plan or applicable legal requirements.

An Eligible Employee may elect to receive one or more of the following benefits, all of which (except the cash benefit) shall be paid or reimbursed under this Plan by a Compensation reduction agreement with the employee:

(a) **Premium Payment Benefit.** This benefit consists of the Participant's share of the cost of the premiums under the District-provided group health plans to the extent that coverage under such plans is excludible from income under Code Section 106. The terms, conditions, and benefits of the various health plans are set forth in separate plan documents which are incorporated herein by this reference.

(b) **Health Care Expense Reimbursement Benefit.** This benefit consists of Health Care Expenses incurred by the Participant that are reimbursable under the health care reimbursement program set forth in Article 9.

(c) **Dependent Care Expense Reimbursement Benefit.** This benefit consists of Dependent Care Expenses incurred by the Participant that are reimbursable under the dependent care assistance program set forth in Article 10.

(d) **Cash Benefit.** This benefit consists of taxable cash compensation payable in substantially equal amounts ratably over the Plan Year or over the portion of the Plan Year during which the Participant's Compensation is generally paid when the Participant has elected to be compensated on a school year basis.

An eligible Participant may elect to receive a portion of the District contribution as taxable cash compensation instead of electing coverage under a District-provided group health plan. The eligibility and other requirements for cashing out the District contribution are set forth in Exhibit B, which is attached hereto and incorporated by reference herein. Exhibit B may be revised from time to time by the Plan Administrator without a formal amendment of this Plan document.

Second Amendment
October 1, 2011

4.2 **Election Procedures.** The following rules shall govern an Eligible Employee's elections under this Plan:

(a) **Initial Participation.** Except as otherwise provided in 4.3, if the Eligible Employee does not make the participation election before the employee is to begin participation under 3.1, the employee's election may be made only

ARTICLE 5**CREDITS AND REIMBURSEMENT PROCEDURES**

5.1 Credits to Plan. The following rules shall govern the Compensation reduction credits to this Plan during a Plan Year:

(a) **Establishment of Accounts.** For each Participant, the Plan Administrator shall establish a separate Account for each reimbursement benefit under 4.1 for the Plan Year.

(b) **Compensation Reduction Credits.** For each Participant, the amount by which the Participant elects to reduce his or her Compensation for a specific benefit shall be deducted from the Participant's Compensation during the Plan Year by payroll deduction and credited to the Participant's Account for such benefit or credited against the cost of that benefit as determined by the Plan Administrator.

(c) **District Contributions.** Prior to the beginning of each Plan Year, the District shall determine the amount to be credited to each Participant for the purchase of benefits described in 4.1. The amount so established for each Plan Year shall be set forth in Exhibit C, to be attached hereto and incorporated by reference herein. The Plan Administrator may change the District contribution amount set forth in Exhibit C without amending this Plan. District contributions or credits may be made in substantially ratable installments throughout the Plan Year.

(d) **Records of Contributions.** The Plan Administrator shall maintain appropriate records and shall record the amounts credited for a Participant for a specified benefit under (b) and (c) above in the Participant's Account established for such benefit.

(de) **Allocation of Expense.** An eligible Dependent Care Expense submitted for reimbursement by a Participant shall be paid only from the Account established for such Participant for such expense and only to the extent of the amount recorded in the Account (after deducting earlier reimbursements made during the Plan Year). The maximum amount of Health Care Expense reimbursement under Article 9 must be available at all times during the Plan Year (properly reduced as of any particular time for prior reimbursements for the same Plan Year). Thus, the maximum amount of Health Care Expense reimbursement at any particular time during the Plan Year cannot be limited to the amount recorded in the Account at that time. Reimbursement will be deemed to be available at all times if it is paid at least monthly or when the total amount of the claims to be submitted is at least a specified, reasonable minimum amount (e.g. \$50).

Second Amendment
October 1, 2011

(ef) **Unused Amounts.** An amount remaining in an Account after the Participant has submitted all reimbursable expenses for the Plan Year of the type for which the Account is established, shall not be carried over to a subsequent Plan Year, nor shall such amount be paid, directly or indirectly, to the Participant in cash or in the form of any other benefit.

5.2 Reimbursement Payment Procedures. The following rules shall govern the reimbursement of a Participant's eligible expenses under a reimbursement benefit:

(a) **Reimbursement Request.** The Participant shall submit a written request for reimbursement on the form or forms provided by the Plan Administrator. Requests for reimbursement shall be made at such time or times as specified by the Plan Administrator; however, eligible expenses incurred during a Plan Year must be submitted for reimbursement not later than three months after the close of the Plan Year. Eligible expenses that are not submitted on a timely basis in accordance with this 5.2(a) shall not be reimbursed.

(b) **Documentation.** A Participant's written request for reimbursement shall establish that the expense was incurred during the applicable time period, and must state that the amount has not been reimbursed and is not reimbursable under any other health plan or dependent care plan, and that the amount will not be used in connection with a deduction or credit on the Participant's federal income tax return. No advance reimbursement may be made of future or projected expenses. The written request must be accompanied with a written statement from an independent third party stating that the expense has been incurred and the amount of such expense.

(c) **Payment.** A Participant's request for reimbursement, when approved by the Plan Administrator, shall be paid as soon as reasonably practicable following such approval. Payments shall only be made in reimbursement to a Participant and shall not be made directly to a service provider. Except as provided in 5.1(de), reimbursements to a Participant shall not exceed the amount available in the Participant's Account for the type of expense for which reimbursement is requested.

5.3 Amount of Elective Contributions. The maximum benefits that any Participant may receive from this Plan for a Plan Year shall be the annual amount of the Participant's share of the cost of the District-provided group health plan premiums for the Premium Payment Benefit, plus \$20,000. The minimum amount of elective contributions that may be elected by any Participant shall be \$20 per month.

Notwithstanding the foregoing, effective January 1, 2013, the maximum amount of salary reduction contributions available to any Participant under this Plan for a Plan Year for the health care reimbursement account program shall equal \$2,500 (plus cost-of-living adjustments permitted under applicable law).

5.4 Expense Reimbursement After Participation Terminates. If, during a Plan Year, a Participant terminates employment, transfers to an ineligible class of employees, or

ceases to make required contributions, he or she may nevertheless submit eligible Dependent Care Expenses incurred during the remainder of that Plan Year to the Plan Administrator for reimbursement under the dependent care reimbursement account program.

If a Participant terminates employment with the District or transfers to an ineligible class of employees and revokes his or her existing benefit elections, the Plan Administrator shall reimburse the Participant for any amount previously paid for coverage or benefits under the health care reimbursement program relating to the period after the termination or transfer.

5.5 Qualified Reservist Distributions. Notwithstanding any other Plan provision to the contrary, a Participant may request a qualified reservist distribution from the Participant's health care reimbursement account.

(a) **Definition of Qualified Reservist Distribution.** A qualified reservist distribution is a distribution to a Participant of all or a portion of the balance in the Participant's health care reimbursement account if: (1) the Participant is a qualified reservist as defined in (b) below, and (2) the request for a distribution is made during the period specified in (e) below.

(b) **Distribution Definition of Qualified Reservist.** A qualified reservist is a Participant who is, by reason of being a member of a reserve component (as defined in 37 U.S.C. § 101), ordered or called to active duty for a period of 180 days or more or for an indefinite period. The Plan Administrator may rely on the order or call to determine the period of active duty. If the order or call specifies that the period is for 180 days or more or is indefinite, the Participant is a qualified reservist, even if the actual period of active duty is less than 180 days or is otherwise changed. If the period of active duty specified in the order or call is less than 180 days, the Participant is not a qualified reservist unless subsequent calls or orders increase the total period of active duty to 180 days or more.

(c) **Amount Available.** The amount available as a qualified reservist distribution is the amount contributed to the Participant's health care reimbursement account as of the date of the request for distribution minus reimbursements received from the account as of the date of the request.

(d) **Procedures.** A Participant must make a written request to the Plan Administrator to receive a qualified reservist distribution. The Plan Administrator must receive a copy of the order or call to active duty before a distribution can be made. Only one qualified reservist distribution is permitted with respect to a Participant during a Plan Year. A Participant may submit requests for reimbursement for medical expenses incurred before the date of the request for a qualified reservist distribution and such reimbursements will be paid in accordance with Article 5 (taking into account the amount of the qualified reservist distribution as a reimbursement). A Participant may not submit requests

for reimbursement for medical expenses incurred on or after the date of the request for distribution.

(e) **Timing of Requests and Distributions.** A request for a qualified reservist distribution must be made on or after the date of the order or call to active duty and before the last day of the Plan Year during which the order or call to active duty occurred. The health care reimbursement account program shall pay the qualified reservist distribution to the Participant within a reasonable time, but not more than 60 days after the date of the request for a distribution. A qualified reservist distribution may not be made with respect to a Plan Year ending before the order or call to active duty.

**EXHIBIT B
PORTLAND PUBLIC SCHOOLS
CAFETERIA PLAN**

**Cash Out of District Contribution
(Referent Section 4.1(d))**

A Participant for whom the Plan Year under Exhibit A would be October 1 through September 30 shall be entitled to \$200 in taxable cash compensation in each month in which he or she elects not to receive (and does not receive) coverage under the District's medical, dental, and vision plans, provided the Participant demonstrates to the Plan Administrator's satisfaction that he or she has coverage under another group medical plan, including a government provided basic medical plan.

**EXHIBIT C
PORTLAND PUBLIC SCHOOLS
CAFETERIA PLAN**

**District Contribution
(Referent Section 5.1(c))**

The amount of the District monthly contribution for each Plan Year for each Participant shall be the District's share of the premium for coverage under the District-provided group health plans.



PORTLAND PUBLIC SCHOOLS

P.O. Box 3107 / Portland, Oregon 97208-3107
Telephone: (503) 916-3741 • FAX: (503) 916-2724

SUPERINTENDENT'S RECOMMENDATION TO THE BOARD AND STAFF REPORT

TITLE: BUDGET AMENDMENTS REQUIRED BY TSCC

Board Study Session Date: October 17, 2011

District Priority: Build shared leadership and accountability for results

Board Meeting Date: October 24, 2011

Executive Committee Lead: Neil Sullivan

Department: Finance

Staff Lead: Zhai Logan

I. ISSUE STATEMENT

There are two separate issues identified by the Tax Supervision & Conservation Commission (TSCC) requiring attention.

The budget for Fund 405 "School Modernization Fund" as adopted by Board Resolution No. 4474 does not comply with Local Budget Law. Specifically, the changes in expenditures between the Approved and Adopted budgets were greater than 10%; sufficient to require a public hearing with the Tax Supervision & Conservation Commission (TSCC). A public hearing was held on June 27, 2011 but the changes to fund 405 were not brought to the attention of the TSCC at that time.

The Board Resolution to impose taxes (Resolution No. 4474) does not comply with Local Budget Law as it does not properly categorize the taxes being imposed.

A third concern, related to Fund 225 "PERS Rate Stabilization Fund" and the revenue sources dedicated to it, has been identified. No actions related to this are required at this time by the TSCC. District staff is currently working with our external auditors to determine future best practices.

The recommended resolutions would bring PPS into compliance with Local Budget Law by amending the earlier resolution.

II. BACKGROUND

- On June 27, 2011, The Board adopted Resolution No. 4474 "Impose Taxes and Adoption of the FY 2011/12 Budget for School District No. 1J, Multnomah County, Oregon".
- This resolution increased expenditures in Fund 405 from \$2,942,593 in the Approved budget, to \$7,067,703. The changes were based upon a revised estimate of Beginning Fund Balance for FY 2011/12.
- On August 3, 2011, PPS was informed by the TSCC that "The changes in this fund (405) were not included in the amended budget that was republished and submitted to TSCC for a public hearing as provided for in ORS 294.435(2). As such the increase in expenditures is in violation of Local Budget Law."
- Also in the August 3, 2011 letter, PPS was informed that Resolution No. 4474 "is deficient in that it does not categorize the property tax levies as either general government, education or exempt as required by ORS 294.435(1) and 310.060."

- For the October 17, 2011 Board meeting Budget staff has prepared two resolutions. The first resolution amends the budget for Fund 405 by reducing expenditures to a 10% increase from the Approved Budget to the Adopted Budget for the fund, which brings it into compliance with Local Budget Law. The second resolution specifically categorizes taxes imposed as being for the purpose of education.

III. RELATED POLICIES/BEST PRACTICES

ORS 294.435 states "the amount of estimated expenditures for each fund in an annual budget may not be increased by more than \$5,000 or 10 percent, whichever is greater... Unless the amended budget document is republished...and another public hearing is held".

ORS 310.060(1) describes "a lawfully adopted ordinance or resolution that categorizes the tax, fee, charge, assessment or toll as subject to or not subject to the limits of section 11b, Article XI of the Oregon Constitution, identified by the categories set forth in ORS 310.050". ORS 310.050 includes "taxes levied or imposed for the purpose of funding the public school system" among the available categories.

IV. FISCAL IMPACT

The amended budget reduces expenditures in Fund 405 from \$7,067,703 to \$3,236,852 and increases Contingency from \$500,000 to \$4,330,851. The expenditures for this fund could then be revised in future budget amendments as needed.

There is no fiscal impact associated with amending the resolution imposing taxes.

V. COMMUNITY ENGAGEMENT

There was no community engagement in developing this recommendation.

VI. BOARD OPTIONS

The Board could amend Resolution No. 4474. If no action were taken, the District would remain out of compliance with Local Budget Law.

VII. STAFF RECOMMENDATION

Staff recommends adopting the prepared resolutions amending the budget for Fund 405, and specifically categorizing taxes imposed, in order to remain in compliance with Local Budget Law.

VIII. TIMELINE FOR IMPLEMENTATION/EVALUATION

This change would be effective for the 2011/12 fiscal year. The new resolution would be included on the Board agenda for the October 17, 2011 meeting.

I have reviewed this staff report and concur with the recommendation to the Board.



Carole Smith
Superintendent
Portland Public Schools

10.11.2011

Date

REPORT – October 24, 2011

Expenditure Contracts Exceeding \$25,000 and through \$150,000

Portland Public Schools (“District”) Public Contracting Rules PPS-45-0200(6) (Authority to Approve District Contracts; Delegation of Authority to Superintendent) requires the Superintendent to submit to the Board of Education (“Board”) at the “Board’s monthly business meeting a list of all contracts in amounts over \$25,000 and up to \$150,000 approved by the Superintendent or designees within the preceding 30-day period under the Superintendent’s delegated authority.” Contracts meeting this criterion are listed below.

NEW CONTRACTS

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
Islandwood	04/30/12 through 05/03/12	Personal / Professional Services 4784	Metropolitan Learning Center: Environmental science camp for 104 4th-6th graders.	\$29,360	T. Hunter Fund 101 Dept. 4154
Strategic Partnership Schools Group, Inc.	08/31/11 through 05/12/12	Personal / Professional Services PS 58678	District-wide: Development, documentation, and implementation of site-specific emergency plans for all District schools.	\$50,000	T. Magliano Fund 205 Dept. 5595 Grant G1111

AMENDMENTS TO EXISTING CONTRACTS

Contractor	Contract Term	Contract Type	Description of Services	Amendment Amount, Contract Total	Responsible Administrator, Funding Source
Astroturf, LLC	09/13/11 through 09/23/13	Construction C 58545 Amendment 1	Lincoln HS: Removal of a two-inch layer of subterranean rock (950 tons), replacement with drain rock, and laser grading services.	\$54,670	T. Magliano Fund 405 Dept. 5511 Project C1000
Emerick Construction Company	08/05/11 through 12/31/11	Construction C 58428 Amendment 1	Franklin HS: Additional construction and “principal priority” services to accommodate incoming Marshall Campus students; part of 2011 Facility Improvement Project.	\$75,072 \$809,047	J. Owens Funds 191 & 405 Depts. 3215, 5511 & 5597 Grants F0002, C0901 & F0357
Emerick Construction Company	08/05/11 through 12/31/11	Construction C 58428 Amendment 2	Franklin HS: Additional construction and “principal priority” services to accommodate incoming Marshall Campus students; part of 2011 Facility Improvement Project.	\$56,775 \$809,047	J. Owens Funds 191 & 405 Depts. 3215, 5511 & 5597 Grants F0002, C0901 & F0357

INTERGOVERNMENTAL AGREEMENTS (“IGAs”)

No IGAs

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

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Purchases, Bids, Contracts

The Superintendent RECOMMENDS adoption of the following items:

Numbers 4499 and 4500

RESOLUTION No. 4499

Revenue Contracts that Exceed \$25,000 Limit for Delegation of Authority

RECITAL

Portland Public Schools (“District”) Public Contracting Rules PPS-45-0200 (“Authority to Approve District Contracts; Delegation of Authority to Superintendent”) requires the Board of Education (“Board”) to enter into and approve all contracts, except as otherwise expressly authorized. Contracts exceeding \$25,000 per contractor are listed below.

RESOLUTION

The Superintendent recommends that the Board approve these contracts. The Board accepts this recommendation and by this resolution authorizes the Deputy Clerk to enter into agreements in a form approved by General Counsel for the District.

NEW CONTRACTS

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
Great American Insurance Company	10/18/11	Settlement Agreement SA 58751	Agreement and release settling claims in the District's suit relating to the 2003 Binnsmead MS fire.	\$1,780,000	B. Meyers Funds 601 & 101 Depts. 5540 & 9999

AMENDMENTS TO EXISTING CONTRACTS

No Amendments to Existing Contracts

INTERGOVERNMENTAL AGREEMENTS / REVENUE (“IGA/Rs”)

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
Oregon City School District	07/01/11 through 06/30/12	IGA/R 58739	Columbia Regional Program will provide deaf / hard of hearing classroom services for regionally eligible students residing in OCSD.	\$69,940	C. Randall Fund 299 Dept. 9999 Grant S0031
Reynolds School District	07/01/11 through 06/30/12	IGA/R 58750	Columbia Regional Program will provide deaf / hard of hearing classroom services for regionally eligible students residing in RSD.	\$200,000	C. Randall Fund 299 Dept. 9999 Grant S0031

LIMITED SCOPE REAL PROPERTY AGREEMENTS

No Limited Scope Real Property Agreements

N. Sullivan

RESOLUTION No. 4500

Personal / Professional Services, Goods, and Services Expenditure Contracts
Exceeding \$150,000 for Delegation of Authority

RECITAL

Portland Public Schools (“District”) Public Contracting Rules PPS-45-0200 (“Authority to Approve District Contracts; Delegation of Authority to Superintendent”) requires the Board of Education (“Board”) enter into contracts and approve payment for products, materials, supplies, capital outlay, equipment, and services whenever the total amount exceeds \$150,000 per contract, excepting settlement or real property agreements. Contracts meeting this criterion are listed below.

RESOLUTION

The Superintendent recommends that the Board approve these contracts. The Board accepts this recommendation and by this resolution authorizes the Deputy Clerk to enter into agreements in a form approved by General Counsel for the District.

NEW CONTRACTS

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
AppleOne Employment Services	11/01/11 through 10/31/14	Personal / Professional Services PS 58692	District-wide: Information technology temporary staffing services; RFP 2010-1304.	\$500,000	Nick Jwayad Fund 101, 191, or 407 Dept. 5581
Data Resource Group	11/01/11 through 10/31/14	Personal / Professional Services PS 58693	District-wide: Information technology temporary staffing services; RFP 2010-1304.	\$1,000,000	Nick Jwayad Fund 101, 191, or 407 Dept. 5581
EdgeLink LLC	11/01/11 through 10/31/14	Personal / Professional Services PS 58694	District-wide: Information technology temporary staffing services; RFP 2010-1304.	\$1,000,000	Nick Jwayad Fund 101, 191, or 407 Dept. 5581
Everest Consultants Inc.	11/01/11 through 10/31/14	Personal / Professional Services PS 58695	District-wide: Information technology temporary staffing services; RFP 2010-1304.	\$1,000,000	Nick Jwayad Fund 101, 191, or 407 Dept. 5581
Experis	11/01/11 through 10/31/14	Personal / Professional Services PS 58696	District-wide: Information technology temporary staffing services; RFP 2010-1304.	\$1,500,000	Nick Jwayad Fund 101, 191, or 407 Dept. 5581
ieSolutions	11/01/11 through 10/31/14	Personal / Professional Services PS 58697	District-wide: Information technology temporary staffing services; RFP 2010-1304.	\$1,000,000	Nick Jwayad Fund 101, 191, or 407 Dept. 5581
Volt Workforce Solutions	11/01/11 through 10/31/14	Personal / Professional Services PS 58698	District-wide: Information technology temporary staffing services; RFP 2010-1304.	\$1,500,000	Nick Jwayad Fund 101, 191, or 407 Dept. 5581
Ensoftek, Inc.	11/01/11 through 10/31/14	Personal / Professional Services PS 58699	District-wide: Information technology temporary staffing services; RFP 2010-1304.	\$1,500,000	Nick Jwayad Fund 101, 191, or 407 Dept. 5581
TEKSystems Inc.	11/01/11 through 10/31/14	Personal / Professional Services PS 58700	District-wide: Information technology temporary staffing services; RFP 2010-1304.	\$1,500,000	Nick Jwayad Fund 101, 191, or 407 Dept. 5581

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
VanderHouwen & Associates Inc.	11/01/11 through 10/31/14	Personal / Professional Services PS 58701	District-wide: Information technology temporary staffing services; RFP 2010-1304.	\$1,500,000	Nick Jwayad Fund 101, 191, or 407 Dept. 5581

AMENDMENTS TO EXISTING CONTRACTS

No Amendments to Existing Contracts

INTERGOVERNMENTAL AGREEMENTS (“IGAS”)

No IGAs

N. Sullivan

Other Matters Requiring Board Action

The Superintendent RECOMMENDS adoption of the following items:

Numbers 4501 through 4505

RESOLUTION No. 4501

Amendment to the 2011/12 Budget for School District No. 1J, Multnomah County, Oregon

RECITALS

- A. On June 27, 2011, the Board, by way of Resolution No. 4474, adopted a budget previously approved by the Finance, Audit and Operations ("FAO") Committee.
- B. The adopted budget contained revisions to Fund 405 "School Modernization Fund" from the approved budget greater than ten percent, which requires a public hearing as provided for by ORS 294.435(2).
- C. A public hearing was held with the Tax Supervising & Conservation Commission ("TSCC") on June 27, 2011; however, the revisions to Fund 405 were not discussed at that time.
- D. 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"). Communication is essential under circumstances that could result in significant reductions or reallocations of funding after the Board has adopted the budget.
- E. Oregon Local Budget Law, ORS 294.480, allows budget changes after adoption under prescribed guidelines.
- F. This action will revise the FY 2011/12 Adopted Budget under ORS 294.480 guidelines, which states the budget may be amended at a regular meeting of the governing body.
- G. This amendment amends the expenditures for Fund 405 to within ten percent of the approved 2011/12 budget, which will ensure the District complies with the program level budgeting requirements of Local Budget Law.

RESOLUTION

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, 2011.

Attachment "A" to Resolution 4501

Fund 405 - School Modernization Fund	2011/12 Adopted Budget	This Amendment	2011/12 Amended Budget
Resources			
Beginning Fund Balance	7,567,703	-	7,567,703
Total Resources	7,567,703	-	7,567,703
Requirements			
Facilities Acquisition & Construction	7,067,703	(3,830,851)	3,236,852
Contingency	500,000	3,830,851	4,330,851
Total Requirements	7,567,703	-	7,567,703

RESOLUTION No. 4502

Amendment to Resolution No. 4474 ("Impose Taxes and Adoption of the FY 2011/12 Budget for School District No. 1J, Multnomah County, Oregon")

RECITALS

- A. On June 27, 2011, by way of Resolution No. 4474, the Board of Education ("Board") for School District No. 1J, adopted the FY 2011/12 budget and imposed taxes.
- B. On August 3, 2011 the Tax Supervising & Conservation Commission ("TSCC") advised the District's Budget Office of needed corrections to the language imposing and categorizing property taxes for the 2011/12 budget.
- C. Specifically, the TSCC advised that the resolution did not formally categorize the property tax levy under the Ballot Measure 5 categories.
- D. ORS 457.010(4)(a) provides the opportunity for a school district to exclude from urban renewal divide-the-taxes that amount with a statutory rate limit on July 1, 2003, that is greater than \$4.50 per \$1,000 of assessed value, to the extent that the rate limit was increased under section 11 (5)(d), Article XI of the Oregon Constitution and, property tax revenue from said increase is excluded from local revenues, as that term is used in ORS Chapter 327, and provided that the school district notifies the county assessor of the rate to be excluded for the current fiscal year not later than July 15.
- E. Portland Public Schools has a statutory rate limit that in is in excess of the \$4.50 limitation that includes an increase under section 11 (5)(d), Article XI of the Oregon Constitution.

RESOLUTION

- 1. The Board resolves that the District hereby imposes the taxes provided for in the adopted budget:
 - a. At the rate of \$5.2781 per \$1,000 of assessed value for operations;
 - b. At the rate of \$1.9900 per \$1,000 of assessed value for local option tax; and that these taxes are hereby imposed and categorized for tax year 2011/12 upon the assessed value of all taxable property within the district.

- 2. These taxes are hereby imposed and categorized as Education for tax year 2011/12 upon the assessed value of all taxable property in the District, as follows:

	Education
Permanent Rate Tax Levy	\$5.2781/\$1,000 of assessed <i>valuation</i>
Local Option Rate	\$1.9900/\$1,000 of assessed valuation

- 3. The Board further resolves that \$0.5038 per \$1,000 of taxable assessed value of the Permanent Rate Tax Levy attributable to the increase provided for in section 11 (5)(d), Article XI of the Oregon Constitution (such increase a result of the expiring Gap Tax Levy) is excluded from division of taxes calculations.

N. Sullivan / Z. Logan

RESOLUTION No. 4503

Providing Equal Access to Military Counter-Recruiters in High Schools

RECITALS

- A. Under No Child Left Behind, school districts receiving federal funds are required to provide access to military recruiters in high schools to the same extent that districts allow access to recruiters from institutions of higher education and prospective employers.
- B. Pursuant to 6.20.041 AD "Recruitment of Students by Military, Post-Secondary Institutions and Prospective Employers," the Board of Education ("Board") for Portland Public Schools ("District") has directed the Superintendent to take steps to ensure that our students have complete and accurate information about committing to military service and provide students with written information about military service, including contact information for organizations that provide "counter-recruiting" information and services for students.
- C. The District encourages students to serve their country and their communities in a variety of ways including military service, the Peace Corps, AmeriCorps, and service with other organizations. The District should also ensure that students who are interested in a career in the military are fully aware of all aspects involved in military service and in furtherance of this should allow "counter-recruiters" access to high school students whenever they permit military recruiters to speak with students regarding military service career opportunities. Similarly, if literature encouraging military service is displayed for students to read or pick up, counter-recruiters counseling about military service may display similar literature.
- D. Each high school should be provided a packet of information from counter-recruiters about military service, including information for parents and students on their rights to privacy from military recruiters, information about the practices of military recruiters and the full range of service opportunities for students upon graduation.

RESOLUTION

- 1. The Board directs the Superintendent to develop a packet of community resources for every secondary school site with information for parents and students on their rights to privacy from military recruiters, information about the practices of military recruiters and the opportunities that exist for students upon graduation including service non-military organizations that serve our country and our communities such as the Peace Corps and AmeriCorps.
- 2. In order to further ensure that students have access to critical information about military service, the Board also directs the Superintendent to provide equal access to counter-recruiters. "Counter-recruiters" include organizations that have a local presence and an established practice of providing information to students about military service and career alternatives, such as the American Friends Service Committee, Military & Draft Counseling Project, Recruiter Watch PDX, and Veterans for Peace, or other such organizations that wish to present information regarding military service.
- 3. Organizations that must be given equal access under this procedure also include those organizations that promote post-high school service opportunities, such as the Peace Corps and AmeriCorps.
- 4. In order to minimize any administrative impact on schools, the Superintendent may establish time, place, and manner guidelines regarding access for counter-recruiters that are equivalent to those established for military recruiters. These guidelines should be in place no later than January 31, 2012.

J. Patterson

RESOLUTION No. 4504

Superintendent's Performance Appraisal 2011

RECITALS

- A. On May 22, 2008, by way of Resolution No. 3909, the Board of Education ("Board") adopted superintendent performance standards based upon the 2007 superintendent search criteria, the 2005-10 Strategic Plan, and key Board policies.
- B. The Board used these standards for Superintendent Smith's first two performance appraisal periods (October 2007-May 2009 and June 2009-September 2010, respectively). These standards also apply to the current performance appraisal period for October 2010-September 2011.
- C. The Board has reviewed the Superintendent's performance in light of the above performance standards and the progress of the District, and has reviewed this appraisal with the Superintendent.

RESOLUTION

The Board hereby adopts the 2011 Superintendent performance appraisal, a copy of which is on file in the District office.

J. Patterson

RESOLUTION No. 4505

Extension of Employment Contract with Carole Smith, Superintendent of Portland Public Schools

RECITALS

- A. In light of her strong performance, the Board of Education ("Board") wishes to extend for three years Superintendent's Smith's current employment agreement. The term of Superintendent Smith's new contract will run from July 1, 2011, through June 30, 2014.
- B. The Board greatly appreciates Superintendent Smith's service and dedication to Portland Public Schools ("District").

RESOLUTION

The Board hereby extends the employment agreement for Superintendent Smith through June 30, 2014. A copy of the employment agreement is on file in the District offices.

J. Patterson