

**Portland Public Schools
Budget Hearing Q & A**

June 23, 2020

1. The current year budget did not anticipate the district’s additional expenditures caused by the pandemic. What changes have you made to this year’s budget and do they impact the district’s ending fund balances? How will that alter the Beginning Fund Balances now stated in the budget you have approved for next year, positively or negatively?

The proposed and approved budgets include \$46.6 million in beginning fund balance in the general fund for the 2020-21 fiscal year. Our April 30, 2020, district financial reports projected an ending fund balance for the general fund of \$63.1 million. This is a \$16.5 million increase in fund balance over the initial projection for 2020-21. These savings will be used to offset costs in the 2020-21 budget year. The district has identified \$10 million in savings for furlough days to be carried over and a purchasing freeze was projected to carry over an additional \$9 million in savings in the general fund. We continue to identify savings to reach the total \$19 million in savings that will carry over in fund balance from 2019-20 to 2020-21.

In addition, the adjusted budget after estimated reductions has \$1.8 million in set aside funding to address the unknowns that occur during the opening of schools in the fall.

2. The Approved Budget was prepared prior to all the changes brought about by the pandemic and the economic downturn. Considerable time has passed and some new information has been made public. When will you be able to tell district patrons what and where the \$12 million in identified cuts will occur?

Earlier in the budget process, we identified the \$12 million in general fund reductions for 2020-21 at a higher summary level as we notified staff of impacts to their school or department. Please see below for the more detailed list of budget reductions by function and object codes that aligns with the budget document coding.

General Fund Budget Reductions 2020-21							
Major Function	FTE	Personnel	Other Salary	Purchased Services	Supplies & Materials	Total	Description
1111 - Elementary K-5	37.50	2,787,379	275,727			3,063,106	K-5 EA's reduction partially restored by Title; Licensed Teacher allocation reduced to align with SIA funding reduction; Teacher staffing allocation remains at 2019-20 levels; Substitutes and staffing reserve.
1121 - Middle School Programs	1.00	107,631	110,654			218,285	Licensed Teacher allocation reduced to align with SIA funding reduction; Teacher staffing allocation remains at 2019-20 levels; Substitutes

Major Function	FTE	Personnel	Other Salary	Purchased Services	Supplies & Materials	Total	Description
1131 - High School Programs	3.50	376,709	175,710			552,419	Licensed Teacher allocation change to align with SIA funding reduction; Teacher staffing allocation remains at 2019-20 levels; Substitutes
1132 - High School Extra Curricular			160,000			160,000	Athletic Coaches
1280 - Alternative Education				709,822		709,822	CBO and Charter % loss of state school fund allocations, travel freeze
1291 - English Language Learner				3,228	4,764	7,992	Services, supplies, and materials
2110 - Attendance/Social Work Services	8.25	528,813			249,996	778,809	Therapeutic Intervention Coaches and contracted services
2120 - Guidance Services	1.50	136,888		59,643		196,531	Student Success Program staffing, travel freeze
2160 - Other Student Treatment Services	6.00	707,986				707,986	Move Adaptive PE to Title IV Funding
2190 - Service Direction - Student Support	3.70	564,581		57,640	77,710	699,931	Vacancy reductions, services, and supplies, travel freeze
2210 - Improvement of Instruction			4,788	52,272	1,104	58,164	Instructional professional services, local meetings, overtime pay, travel freeze
2230 - Assessment and Testing	2.00	222,140				222,140	Vacancy reductions
2240 - Instruction Staff Development	1.30	147,970	232,677	177,306		557,953	Staffing reduction, substitutes, services, travel freeze
2310 - Board of Education				25,000	5,000	30,000	Supplies, travel freeze
2320 - Executive Administration Services				220,795		220,795	Reduction in professional services, travel freeze
2410 - Office of the Principal Services	9.00	1,506,271		13,000	9,652	1,528,923	Vice principal reduction, Central vacancy reduction, supplies, and travel freeze
2510 - Support Services - Business				14,450		14,450	Reduction in professional services
2520 - Fiscal Services	1.00	162,529		45,806	232,634	440,969	Staffing, software, services, and travel freeze
2540 - Facility and Security Services	2.00	247,543		70,766	50,000	368,309	Vacancy and staffing reductions, contract services, supplies
2550 - Student Transportation Services				875,000		875,000	Efficiencies in cab services and bus routing
2570 - Internal Services				81,164		81,164	Printing services

Major Function	FTE	Personnel	Other Salary	Purchased Services	Supplies & Materials	Total	Description
2620 - Research, Develop, Eval Services				10,000		10,000	Contracted services
2630 - Information Services				20,000		20,000	Contracted services
2660 - Technology Services	1.00	168,829			338,695	507,524	Vacancy reduction and supplies
2670 - Records Management Services	0.50	39,430				39,430	Vacancy reduction
Totals	78.2	7,704,699	959,556	2,435,892	969,555	12,069,702	

3. Next year's state support for school districts is uncertain and yet to be determined. As the largest district in the state, what influence do you have with the legislature on this issue? How are you monitoring the development of state funding for next year and the following years? When do you anticipate having more certainty in the forecasts?

We regularly engage with our partners at the Coalition of Oregon School Administrators (COSA), Oregon School Boards Association (OSBA), and other large school districts. We work closely to communicate school district needs to legislative leadership and to our local legislative delegation. We will closely monitor the special session this week to see what policy decisions may affect our budget if any. We'll also closely track the upcoming budget session (likely later this summer) and continue to share our story with legislators so they better understand how the pandemic and shift to distance learning is affecting our budget.

4. Please brief us on the plans to reopen the schools in the fall. What services to students are being reconfigured in response to the pandemic? What services are being emphasized and what services are being trimmed in this effort? Has the district identified any funding reallocations yet?

We are in the process of planning for re-entry in the fall. We have created specific workgroups with an advisory committee that oversees the plan. We are aligning with the ODE blueprint guidance and application process. We are also contracting with the District Management Group (DMG) and with four other big districts in Oregon to align our work, create action plans for implementation, process with our partner districts via peer reviews and submit a blueprint plan to ODE by 8/14/2020.

Since we are in the planning process, we are not able to state what services are being re-configured specifically. What we can say is that we are considering virtual learning, blended models of cohorts in class/online, and what the timeline is for re-opening. All services that we are focusing on prioritizing are in alignment with the instructional core, social-emotional supports, MTSS structures, and systems and keeping our racial equity and social justice

framework at the core of all of our decisions. Health and wellness are the primary drivers of all of our decisions in accordance with the Health Authority and the CDC guidelines.

In terms of reallocation of resources, we have not specifically identified amounts of funding needed or reallocating funding. We do understand that there will be additional budgetary asks that will be presented, but it would be premature at this time. We have set aside \$1.8 million to support the instructional models that may need to change as circumstances change.

5. When do you anticipate the district will make the first formal adjustments to the budget next year? How will the board and the public be involved in the decisions about those adjustments?

The Governor has announced the special legislative session for the budget will be later this summer. With the unknown specific timeframe and outcome, we have brought forward the original revenue projections provided by the Oregon Department of Education to be adopted in our 2020-21 budget. We have also adjusted our budget to reflect the estimated reductions provided to us by the state. We are in the process of staffing schools for next year and will allocate resources to schools and departments based on the reduced budget information we have received to date. These estimates have been shared with budget focus groups, a budget town hall, and public board meetings receiving testimony from the community. We can't afford to wait for the legislature to make the final determinations for the state's budget as staffing needs to begin in June in order to be prepared to open schools in August.

6. How will the district monitor revenues and expenditures and respond timely if revenue collections go off track or if unanticipated service requirements continue?

The district prepares quarterly financial reports for the school board which include estimating revenues and expenditures through June 30, 2021. We will track carefully and modify expenditures as needed. We monitor the quarterly economic forecasts provided by the State of Oregon, Office of Economic Analysis to track ongoing revenue projections that impact the State School Fund. The Superintendent has designated an internal budget team including senior leadership team members, principals, and finance staff to support the decision making of budget adjustments needed during the 2020-21 fiscal year.

7. In the Proposed Budget, the district included a comprehensive approach to equity issues, funded, in large part, by new state revenues. How are these same equity issues being addressed in the reopening plans and in light of reduced state funding? Is the district reprioritizing these efforts?

In addition to the expansion of our RESJ Partnerships funded by the Student Success Act (\$3.4 million), PPS also makes several general fund investments to catalyze our RESJ efforts. During the past year, under the leadership of the Superintendent, PPS developed and adopted several key tools in alignment with our emerging strategic plan that will guide our ongoing transformation into a more racially just district.

These tools include the development and adoption of our [PPS RESJ Lens](#) , we now have a decision support tool that will aid our reentry planning so that our priorities and plans moving forward are centered on the experiences of Black and Native students.

PPS also has an adopted [PPS RESJ Plan and Framework](#) that aligns work for all of the planning teams for reentry. In the plan, goals were established by a large and diverse group of PPS staff that align to five strands: teaching and learning, student led initiatives, talent diversity, community partnerships, and equitable business operations. These goals align with the emerging strategic plan and identified system shifts :

- A. A Connected and Transformative School District*
- B. Racial Equity Aligned Systems and Structures*
- C. Cultivating System-Wide Learning and a Diverse Workforce*
- D. Transformative Curriculum and Pedagogy*
- E. A Culture of Physical and Emotional Safety*

A year one work plan integrates the goals of the RESJ plan and framework while also recognizing the opportunity to re-envision the next school year in alignment with our RESJ values and aspirations. The majority of this work will be implemented by existing staff and integrated into both reentry and department planning for SY 20/21.

Is the district changing the metrics or the goals?

In October of 2019, the board adopted 4 goal areas with metrics for the system: accelerating growth for our underserved students of color in (1) 3rd grade Reading and (2) 5th grade Mathematics, (3) raising achievement in both Reading and Mathematics at the conclusion of 8th grade, and (4) increasing the rate of post-secondary readiness for our underserved students of color. These goal areas and metrics for the board remain unchanged.

Given the unprecedented challenges presented by the COVID pandemic, it is reasonable to expect that we will need to establish post-COVID baseline data and re-establish the targets as we move through the coming year.

8. How has the pandemic impacted homeless students and the district's work with these students? Is the district involved with Metro and its homeless services project? How has this all impacted the district's team of counselors and their duties?

PPS has five McKinney-Vento liaisons who continued to work to identify and support homeless students during the pandemic and school closure. Our liaisons work closely with other districts to share information regarding practices and resources that can support families. They are also in constant communication with county and city services to assess their current availability and resources of which Metro was one.

We noticed a decrease in the number of identified students from what we identified over the same period last year. Liaisons continued to communicate with schools and families using their cell phones. They helped assess their current needs and distribute Chromebooks and hot spots to families. In addition, they continued to provide families with referrals to city and county resources, food resources, hygiene, and school supplies.

Like other school staff, our school counselors focused on making contact with students and families to assess their needs, prioritizing students in the most vulnerable circumstances. Prior to the COVID pandemic, we recognized the need for increased social-emotional and mental health support for our students and have invested significantly in an increase of counselors and social workers with the new Student Investment Account funds.

How will the district backfill the work previously done by School Resource Officers? The School Resources Officers (SROs) Program at Portland Public Schools has historically been funded by the City of Portland and can be typically found in the Mayor’s proposed budget. On June 4, 2020, Superintendent Guerrero [charged](#) his Senior Leadership team with discontinuing the regular presence of School Resources Officers on Portland Public Schools (PPS) campuses. Mayor Ted Wheeler followed his announcement disbanding the Youth Division, which in the 2019-2020 school year was staffed by fourteen officers charged with patrolling PPS, David Douglas and Parkrose school campuses. As we heard from youth and community leaders--especially Black, Indigenous and People of Color--during a year long engagement process, PPS senior leadership believes in and will work towards building a stronger sense of belonging of our students, especially through deepening of relationships with adults, strengthening the climate and culture of school sites and in our practice. While this ideation and creation stage with community launches and moves forward in the next school year, our Office of Security Service employs 31.5 FTE of campus safety agents. These campus safety agents will continue to play an integral role in our schools, serving as mentors, ambassadors, and safety advocates on school campuses. We plan on developing protocols for if and when it is absolutely necessary, because of an absolute emergency, for members of the PPB to visit a school campus.

9. Facility maintenance and school modernizations have been a focus of this budget for several years now, along with custodial staffing challenges and changes. Looking backward and forward:
 - a. How has the pandemic and the under budgeting and over expenditures on bond projects impacted future project design, funding, and bond planning?

The current pandemic adds additional costs (in the form of additional supplies, reduced labor, reduced efficiency, etc.) to our ongoing routine maintenance and capital projects. The total impact of the pandemic on specific projects and the overall construction market will not be known for some time. Our capital program tracks project specific COVID related cost adjustments and accounts for increases monthly. Additionally, we have augmented our cost management risk strategy to include an additional contingency in an effort to account for future/unknown cost impacts. Planned budgets for an upcoming general obligation bond also includes contingency at both the project level and an anticipated overall 10% contingency to help account for unforeseeable costs.

- b. Are the pandemic’s infection protection standards changing your custodial staffing plans?

Even with the current budget shortfall, we have not reduced our custodial staffing budget. We have modified cleaning and disinfecting standards to respond to the COVID conditions (by focusing on “high-touch” surfaces, making cleaning supplies more readily available to school site staff, etc.), and will continue to update protocols in alignment with jurisdictional requirements and industry best practices.

10. Have there been any significant central staffing changes in the last five years?

Here is a chart showing FTE by type of employees by function number and changes over the past five years:

	2017 Actual	2021 Proposed	Change
23 - Support Services - General Administration: Activities associated with administering policy and operating the district			
Licensed Staff	0	0	0
Classified - Represented	2.5	1	-1.5
Non-Represented Staff	34.5	31.25	-3.25
Administrators - Licensed	5	15	10 *
Administrators - Non-Licensed	4	4	0
Directors/Program Admins	5	6	1
	<u>51</u>	<u>57.25</u>	<u>6.25</u>
25 - Support Services - Business: Activities including fiscal, operation and maintenance, and internal services			
Licensed Staff	0	0	0
Classified - Represented	502.55	550.25	47.7 **
Non-Represented Staff	102.6	108.6	6
Administrators - Licensed	0	0	0
Administrators - Non-Licensed	3	2	-1
Directors/Program Admins	15	13	-2
	<u>623.15</u>	<u>673.85</u>	<u>50.7</u>
26 - Support Service - Central: Activities other than general admin, which support instructional and supporting programs			
Licensed Staff	0	0	0
Classified - Represented	19.55	11	-8.55
Non-Represented Staff	125.42	135.95	10.53
Administrators - Licensed	1	5	4
Administrators - Non-Licensed	3	3	0
Directors/Program Admins	14	11	-3
	<u>162.97</u>	<u>165.95</u>	<u>2.98</u>

* Reorganization under Chief of Schools for Regional Superintendents & Senior Area Directors

** Increase in staffing for Bus Drivers and Custodians

11. Our current circumstances are challenging. What if we don't get back to normal in the fiscal year 20-21? What will school look like for the next few years?

Unfortunately, the pandemic has impacted school districts all across the country; it has disrupted the ability to deliver an educational experience for students in the typical delivery model, one that has remained largely unchanged since the inception of public education. We are working closely with our peer districts in the State of Oregon, and also exchanging ideas and recommendations with our fellow member districts in the Council of Great City Schools, who represent the 75 largest school systems in the country. Together, our respective staff leadership teams are collaborating, and with shared technical assistance, to develop viable scenarios and re-opening plans that incorporate a blend of approaches that concurrently observe health and the Department of Education guidelines. Our plans in the fall will further re-imagine how we provide an academic program and direct instruction to students. This will likely include a traditional brick and mortar classroom-based model with smaller groups of students, a blended hybrid model where students receive some in-person and virtual instruction, and a third possibility of continued distance learning that leverages technology to provide for a fully virtual teaching and learning experience.

We are grateful, after a yearlong process, to have a clearly articulated and published vision about what outcomes, skills, and dispositions we want students to demonstrate as graduates -which is not dependent on any particular delivery model. We can envision a future that may focus on institutionalizing more personalized learning plans that align students' unique learning goals with a customized instructional program. Peering into the future, understanding that it is not fully predictable, we can see glimpses of blended learning options in future-ready school models around the country where students receive direct instruction, whether in person or via small on-line groups and have a charted personalized learning plan organized with the support of a technology-enabled platform.

This pandemic and school closure have also underlined the importance of relationships, of connection, and of a sense of belonging. As educators, we will need to continue to be mindful of our students' healthy socio-emotional development and sense of resilience.

Aside from greater use of technology tools as the key medium for organizing and resourcing learning, additional shifts we will also need to make include the integration of a greater degree of curated on-line digital content and professional development support for teachers and support staff to effectively guide and interact with our students in this new reality. Learning in a post-COVID world also presents an opportunity to reimagine the traditional public education to better meet the needs of our Black and Native students, who in our case, have not been well served by the prior model of education; placing our underserved students at the center as we start to conceptualize a new model moving forward, will be critical to ensuring equity and excellence for every student.