

Special Meeting and Budget Work
Session with the CBRC
Tuesday, March 19, 2024 6:00 PM

Dr. Matthew Prophet Education Center
501 N. Dixon St.
Portland, OR 97227

Agenda

1. **6:05 pm - Consent Agenda (Resolutions 6876 through 6880 & 6882) Vote - Public comment accepted**
 - 1.(a) Resolution 6876 - Expenditure Contracts
 - 1.(b) Resolution 6877 - Authorizing Off-campus Activities
 - 1.(c) Resolution 6878 - Authorizing the Board of Education's Real Estate Work Group to Provide Direction to Portland Public Schools Staff as Described in Resolution No. 6778 related to a potential Lease of the Whitaker-Adam site to Albina Sports Program
 - 1.(d) Resolution 6879 - Self-Certifying an Increase in the Federal Micro-Purchase Threshold under 2 CFR 200.320 to Be Consistent With Procurement Thresholds Authorized Under Oregon Law and Delegating the Authority to the Superintendent to Approve and Issue the Annual Self-Certification in Future Fiscal Years
 - 1.(e) Resolution 6880 - Students Requesting Exemption from PE State Requirement
 - 1.(f) Resolution 6882 - Resolution to approve a timeline for the Superintendent Search for Portland Public Schools
2. **6:10 pm - Resolution Authorizing Improvements to and an Appropriation for the Roosevelt Grandstands and an Appropriation for the McDaniel Field House (Resolution 6881) Vote - Public comment accepted**
3. **6:15 pm - Budget Work Session with the Community Budget Review Committee (CBRC)**
4. **8:00 pm - Adjourn**

RESOLUTION No. 6876

Expenditure Contracts that Exceed \$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 the following agreements.

NEW CONTRACTS

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Admin, Funding Source	Certified Business
Damac and Associates Clean LLC	3/20/24 through 3/19/27	Flexible Services Contractor Pool FSCP 94694	Provide enhanced cleaning services on an as-needed basis. Request for Proposals 2023-050	\$1,000,000	D. Jung Funding Source Varies	No
Township United Building Service	3/20/24 through 3/19/27	Flexible Services Contractor Pool FSCP 94688	Provide enhanced cleaning services on an as-needed basis. Request for Proposals 2023-050	\$1,000,000	D. Jung Funding Source Varies	No
Frontline Facilities Management	3/20/24 through 3/19/27	Flexible Services Contractor Pool FSCP 94689	Provide enhanced cleaning services on an as-needed basis. Request for Proposals 2023-050	\$1,000,000	D. Jung Funding Source Varies	MBE
Suburban Supply Inc. dba Cascade Building Services	3/20/24 through 3/19/27	Flexible Services Contractor Pool FSCP 94685	Provide enhanced cleaning services on an as-needed basis. Request for Proposals 2023-050	\$1,000,000	D. Jung Funding Source Varies	No
Standard Supply Co.	3/20/24	Purchase Order PO 167987	Purchase of full flow water filters for District-wide use. Quotes	\$210,410	D. Jung Fund 101 Dept. 5553	No
eBuilder Incorporated	4/1/24 through 3/31/28 Option to renew for up to two additional one-year terms through 3/31/30	Digital Resource DR 94662	License subscription to eBuilder platform for Facilities and Office of School Modernization use. Special Class Procurement – Software/Hardware Maintenance and Upgrades PPS-47-0288(11)	Original Term: \$1,228,386 Total through all renewals: \$1,938,546	D. Jung Funding Source Varies	No
NIS Consulting, Inc.	4/1/24 through 12/30/29	Personal Services PS 94769	Staff augmentation on PPS Technology bond activities. Direct Negotiation – Ongoing, long-term relationship of knowledge and trust PPS-46-0525(3)	\$7,294,950	D. Jung Fund 459 Dept. 5511	No
Advocates for Youth	3/20/24 through 11/11/24	Personal Services PS 94812	Develop lessons that cover sexuality education standards for K-5. Sole Source	\$800,000	C. Proctor Funding Source Varies	No

*A Certified Business is a for-profit business certified as a Minority-Owned Businesses (MBE), Women-Owned Businesses (WBE), Emerging Small Businesses (ESB), and/or Service-Disabled Veteran Businesses (SDV) by the State of Oregon Certification Office for Business Inclusion and Diversity.

NEW COOPERATIVE PURCHASING AGREEMENTS

NEW INTERGOVERNMENTAL AGREEMENTS (“IGAs”)

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
Multnomah County	7/1/22 through 6/30/25	Intergovernmental Agreement IGA 94770	Provision of SUN Community Schools services and programming and Early Kindergarten Transition Program at multiple District sites.	\$3,610,166	R. Adams Funding Source Varies

AMENDMENTS TO EXISTING CONTRACTS

Contractor	Amendment Term	Contract Type	Description of Services	Amendment Amount, Contract Amount	Responsible Admin, Funding Source	Certified Business
Office of General Counsel Network, LLC	3/20/24 through 12/31/24	Legal Services LS 94040 Amendment 1	Contracted General Counsel services. This amendment adds funds to the contract and extends the end date by six months. Direct Negotiation – Legal Services PPS-46-0525(13)	\$180,000 \$360,000	L. O’Dell Fund 101 Dept. 5460	WBE
CDR Labor Law	3/20/24 through 6/30/25	Legal Services LS 94009 Amendment 1	Contracted legal services on an as-needed basis. This amendment adds funds to the contract. Direct Negotiation – Legal Services PPS-46-0525(13)	\$140,000 \$440,000	L. Large Fund 101 Dept. 5460	No
Miller Nash, LLP	3/20/24 through 6/30/25	Legal Services LS 93702 Amendment 1	Contracted legal services on an as-needed basis. This amendment adds funds to the contract. Direct Negotiation – Legal Services PPS-46-0525(13)	\$140,000 \$490,000	L. Large Fund 101 Dept. 5460	No
Talbot, Korvola, and Warwick, LLP	3/20/24 through 3/31/25	Personal Services PS 85008 Amendment 3	Financial auditing services. This amendment adds funds and extends the end date by one year. Request for Proposals 2013-1607	\$279,000 \$2,790,900	M. Leigh Fund 101 Dept. 5520	No

New encumbered contracts: \$13,054,072

On-call, potential spend contracts: \$4,000,000

Amendments: \$739,000

RESOLUTION No. 6877

Authorization for Off-Campus Activities

RECITAL

Portland Public Schools (“District”) Policy 6.50.010-P (“Off-Campus Activities”) requires the Board of Education (“Board”) consent to student out-of-state travel.

RESOLUTION

The Board has reviewed the request for out-of-state travel. All required documents have been submitted to the Risk Management Department. The Superintendent recommends that the Board consent to the student out-of-state travel for the below request:

AUTHORIZATION FOR OFF-CAMPUS ACTIVITIES

Date(s)	School, Course, and Number of Students	Purpose of Travel	Travel Destination	Estimated Cost	Equitable Field Trip Fund; %
3/21-3/30/24	Wells HS Baseball, 36	Team building, tournaments, college visit	CA	\$1200	N/A
3/23-3/28/24	Cleveland HS Baseball, 14	Team building, college visit	AZ	\$1600	N/A
3/24-4/8/24	Tubman/Harrison Park, Mandarin DLI, 29	Use Mandarin language skills & cultural knowledge to navigate a variety of contexts	Taiwan	\$2900	N/A
4/5-4/8/24	Wells HS Band, 60	Music workshop w/ Disney conductor	CA	\$1000	N/A
4/18-4/21/24	Jackson Choir, 34	Perform & be evaluated per national choral standards, watch & listen to other choir groups	CA	\$1200	N/A

RESOLUTION No. 6878

Authorizing the Board of Education's Real Estate Work Group to Provide Direction to Portland Public Schools Staff as Described in Resolution No. 6778 related to a potential Lease of the Whitaker-Adam site to Albina Sports Program

RECITALS

- A. On October 10, 2023, the Portland Public Schools Board of Education adopted Resolution No. 6778, which instructed the District to take certain steps to provide the Board information about a potential District lease of the Whitaker-Adam site to Albina Sports Program and exploration of the feasibility of planning and building the Albina Sports Complex.
- B. Resolution No. 6778 also requires the Vice Chair to recommend and the Board members (other than Chair Hollands) to approve three Board members to serve as a Board's real estate work group to provide guidance to staff.,

RESOLVED

The Portland Public Schools Board of Education hereby authorizes Director Herman Greene, Director Eddie Wang, and Director Patte Sullivan to serve as the Board's real estate work group to give direction to staff on matters identified in Resolution No. 6778.

RESOLUTION No. 6879

Self-Certifying an Increase in the Federal Micro-Purchase Threshold under 2 CFR 200.320 to Be Consistent With Procurement Thresholds Authorized Under Oregon Law and Delegating the Authority to the Superintendent to Approve and Issue the Annual Self-Certification in Future Fiscal Years

RECITALS

- A. The Board of Directors of Portland Public Schools, Multnomah County School District No. 1J, Multnomah County, Oregon (the "District"), acts as the Local Public Contract Review Board (the "Board") pursuant to ORS 279A.060.
- B. ORS 279A.065 empowers public contracting agencies to adopt rules of procedure for public contracts, and the District has adopted such rules (the "2024 Rules").
- C. ORS 279B.065 authorizes a public contracting agency such as the District to award a public contract for goods and services that does not exceed a contract price of \$25,000 in any manner that agency deems appropriate, including by direct negotiation. The 2024 Rules incorporate this statutory authority under PPS 47-0265
- D. ORS 279A.055 authorizes local public contracting agencies such as the District to adopt their own rules for personal services contracts and ORS 279B.050 authorizes a local contracting agency to adopt ORS Chapter 279B as the procurement rules for local personal services contracts. The 2024 Rules set the procurement threshold for direct negotiation of personal services contracts under PPS 46-0525 at \$75,000 or less.
- E. ORS 279C.110(10) authorizes direct negotiation of architectural, engineering, photogrammetric mapping, transportation planning or land surveying ("design services") contracts where the fees for a project do not exceed \$100,000. The 2024 Rules adopt this procurement threshold for direct negotiation of design services contracts under PPS 48-0200.
- F. ORS 279C.335(1)(c) authorizes direct negotiation of public improvement contract with a value of less than \$25,000. The 2024 Rules adopted this standard under PPS 49-0155
- G. From time to time, the District purchases goods and services, personal services, design services, and public improvement services using federal funding subject to the procurement standards for non-federal entities in 2 CFR Part 200, Subpart D (the "Federal Rules").
- H. The Federal Rules contain an authorization in 2 CFR § 200.320(a)(1) that allows a non-federal entity to award micro-purchases without soliciting competitive price or rate quotations subject to certain information and documentation. The micro-purchase threshold is currently set at \$10,000 or less, depending on the type of contract. 48 CFR pt 2, subpt 2.1.
- I. Under 2 CFR § 200.320(a)(1)(iv), a non-federal entity may self-certify on an annual basis a micro-purchase threshold not to exceed \$50,000 and maintain documentation to be made available to a federal awarding agency and auditors in accordance with 2 CFR § 200.334.
- J. Under 2 CFR § 200.320(a)(1)(iv), such self-certification must include (1) a justification for the threshold, (2) a clear identification of the threshold, and (3) supporting documentation, which, for public institutions, may be a "higher threshold consistent with State law."
- K. For uniformity of application and to avoid confusion and error, the Board deems it advisable to adopt higher micro-purchase thresholds for goods and services, personal services, design services, and construction services than those identified in 48 CFR § 2.101 in an amount authorized by state law.
- L. For ease of administration, the Board also deems it advisable to delegate the authority to the superintendent or the superintendent's designee to issue the annual self-certification in future fiscal years. This delegation of authority shall continue unless and until one or more of the state procurement thresholds cited above are amended or the micro-purchase thresholds under the Federal Rules are modified to be equal to or greater than the state procurement thresholds cited above.

RESOLUTION

1. For the reasons set forth in the recitals, the Board hereby self-certifies a micro-purchase threshold under 2 CFR § 200.320(a)(1)(iv) for goods and services, personal services, and design services of \$25,000 or less, and for public improvement contracts of less than \$25,000, as authorized under the state statutes cited in the recitals.
2. This self-certification shall become effective upon adoption of this resolution and expires on June 30, 2024. Thereafter, the Board delegates to the superintendent or the superintendent's designee the authority to issue the annual self-certification for subsequent fiscal years, subject to the limitation set forth in the recitals.
3. In the event that the District receives funding from a federal grantor agency that adopts a threshold more restrictive than those contained herein, the District shall comply with the more restrictive threshold when expending such funds.
4. This self-certification and future self-certifications shall not be applicable to federal financial assistance awards issued prior to November 12, 2020, including financial assistance awards issued prior to that date under the Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 (Pub L No 116-136, 134 Stat 281).
5. The District shall maintain documentation to be made available to a federal awarding agency, any pass-through entity, and auditors in accordance with 2 CFR § 200.334.

RESOLUTION No. 6880

Students Requesting Exemption from PE State Requirement

RECITALS

- A. In accordance with OAR 581-022-1910, Portland Public Schools may excuse students from a state required program or learning activity, where necessary, to accommodate students' disabilities or religious beliefs.
- B. Approval of the exemption shall be based upon and shall include:
 - 1) A written request from the student's parent or guardian or the student, if that student is 18 years of age or older or a legally emancipated minor, listing the reasons for the request and a proposed alternative for an individualized learning activity which substitutes for the period of time exempt from the program and meets the goals of the learning activity or course being exempt;
 - 2) An evaluation of the request and approval by appropriate school personnel (the alternative should be consistent with the student's educational progress and career goals as described in OARs 581-022-1670 and 581-022-1510).
- C. Following approval by Portland Public Schools Board of Education, and upon completion of the alternative, credit shall be granted to the student.

RESOLUTION

- 1. Be it resolved that the Board of Education approves five Portland Public Schools high school students to be granted exemption from the state PE requirement.
- 2. In accordance with OAR 581-022-1910, all students have a physician statement that documents their specific physical limitation as it relates to this requirement, as well as a written state of agreement from their parent/guardian. All students will replace the PE credit requirement with alternative coursework as required.



Board of Education Informational Report

MEMORANDUM

Date: February 27, 2024
To: Members of the Board of Education
From: Dr. Lorna Fast Buffalo Horse, Area Senior Director- High Schools
Subject: Students requesting exemption from state PE requirement

As part of Division 22 standards, all students requesting an exemption from the state Physical Education (PE) credit requirement must receive approval by their local School Board in order for a waiver to be granted and the requirement to be removed from their transcript.

The Portland School District currently has five students who have requested waivers from PE. In accordance with the OAR listed below, all students have a physician statement that documents their specific physical limitation as it relates to this requirement, as well as a written statement of agreement from their parent/guardian. All students will replace the PE credit requirement with alternative coursework as required by the OAR. For the sake of student confidentiality, we are not including the list of students with this memo. However, if you have any specific questions about the students and their requests, you may contact the Office of High Schools to discuss the request.

OAR: 581-02201910 Exemptions:

1) The school district may excuse students from a state required program or learning activity, where necessary, to accommodate students' disabilities or religious beliefs:

(a) Approval of the exemption shall be based upon and shall include:

(A) A written request from the student's parent or guardian or the student, if that student is 18 years of age or older or a legally emancipated minor, listing the reasons for the request and a proposed alternative for an individualized learning activity which substitutes for the period of time exempt from the program and meets the goals of the learning activity or course being exempt;

(B) An evaluation of the request and approval by appropriate school personnel (the alternative should be consistent with the student's educational progress and career goals as described in OARs 581-022-1670 and 581-022-1510).

(b) Following approval by the district school board, and upon completion of the alternative, credit shall be granted to the student.

2) The school district may approve and grant credit to a student for the alternative to a state required program or learning activity if the procedures in the section (1) of this rule are followed.

Stat. Auth.: ORS 326.051

Stats. Implemented: ORS 326.051

Hist.: EB 18-1996, f. & cert. ef. 11-1-96

RESOLUTION No. 6882

Resolution to approve a timeline for the Superintendent Search for Portland Public Schools

The Portland Public Schools Board of Education approves the following timeline for the Superintendent Search:

Activity	Date(s)
Planning Meetings	February 21 through March 5
Board 1:1s	February 28 through March 6
Engagement Period	March 7-22
Agreements/Planning around 2 nd Round Interview Process	TBD, mid-March
Vacancy Window Opens	March 15
Online Survey Window	March 18-22
Board Meeting “Next Superintendent Criteria” • Public Comment • First Review and Board Discussion	April 2: 5:00pm
Board Meeting • Public Comment • Adopt Next Superintendent Criteria • Discuss Salary Range	April 9: 6:00pm
Vacancy Window Closes	April 19
Preliminary Interviews with Consultants	April 24-26
Board Accesses Applications	April 27
Slate Meeting (<i>Virtual, Executive Session</i>)	May 4: 1:00pm
First Round Interviews with Board (<i>Virtual, Executive Session</i>)	May 13
Selection Activities with Community, Families, Staff, Students	May 28 through May 31
Second Round Interviews with Board (<i>In-person, Executive Session</i>)	May 28, 30, 31: 5:30 - 9:00 pm
Board Deliberation	June 1, 9:30 am
Special Board Meeting: Public Announcement	Second week of June
New Superintendent Assumes Duties	July 1 or as soon thereafter as practicable

RESOLUTION No. 6881

Resolution Authorizing Improvements to and an Appropriation for the Roosevelt Grandstands and an Appropriation for the McDaniel Field House

RECITALS

- A. Roosevelt High School was one of the first PPS high schools to be redesigned and modernized and was one of the PPS high schools that was not gifted a new track and field or stadium with PPS funds, instead it raised its own funds to cover the majority of the track and field cost. As a result of the lack of funding and support, the Roosevelt community gave up its baseball seating to provide limited seating for the track and field grandstands with the promise of having baseball seating added when additional funds were available. To date that has not happened in terms of either grandstand or baseball seatings. The Roosevelt High School band sits on the track to play during games because there is not room in the stands for them.
- B. The existing **Roosevelt High School grandstands** have an approximate 800-person capacity. Improvements to the grandstands were not included in the RHS modernization when it re-opened in 2017. As PPS has marched forward modernizing its high schools, and athletic tracks and fields located on PPS property, most if not all have benefitted from new, enhanced grandstand capacity; it's time we made things right for the RHS community and give it a grandstand that is comparable to all the other schools in the PPS district.
- C. District staff has assessed the request by the Roosevelt community to increase the grandstands capacity to 1,500 for home spectators and to add 800 visitor seats on the opposite side of the field. The requested scope includes expansion of the existing home bleachers from 800 seats to 1,500 seats, the installation of a visitors' bleacher section with a seating capacity of 800 seats, and added secure storage under the existing home bleachers. The proposal would also add approximately 6,000 SF of building area for use as storage under the bleachers. This would require demolition of the existing concession building located adjacent to the home bleachers. The proposed project will require a Type III Conditional Use review.
- D. The new McDaniel Fieldhouse, initiated in 2019, is a 5000 sq. ft metal building designed for indoor training, practice, game simulation and clinics for all McDaniel high school and youth sports. Features include wall-to-wall synthetic turf, heating and insulation, bright LED lighting, four batting cages, garage-style doors and security doors. It was finished with landscaping, paver walkways and pad areas; however, the community has yet to gain occupancy due to an outstanding construction/installation balance.
- E. This was a challenging four-year project with excess permitting and engineering costs due to the handoff from the Fortis remodel, COVID delays and significant construction inflation. There were \$131,000 in unanticipated vendor costs, e.g., permits, turf, architect, etc. The Madison/McDaniel Alumni Association, a 501(c)(3) non-profit organization and the McDaniel community raised more than \$400,000 for this project. Over 450 alumni donated to the project and several businesses donated labor and materials to support this community project. For the McDaniel community, it was a significant capital campaign.
- F. Of the \$683,000 total cost to build the fieldhouse, there is a final \$247,000 payment for final construction and installation work that must be made before occupancy can be granted. The 2024 Spring sports season started February 26, 2024.
- G. This will be an asset worth approximately \$1.4-\$1.6 million owned by PPS; for a small capital investment, it can be opened immediately for the use of McDaniel student athletes, a community that has been historically underserved by PPS.

RESOLVED

1. To provide the Roosevelt community and its teams and student athletes with an equitable stadium experience, the Board authorizes the expenditure of capital funds not to exceed \$2.5M to increase the capacity of the Roosevelt grandstands by 1500 seats. The additional 800 seats for the visitors and the structure beneath the stands will be considered in the potential 2024 bond project.

2. So that the completed McDaniel Fieldhouse Project is available to McDaniel student athletes and teams in time for the 2024 Spring sports season, the Board authorizes the expenditure of capital funds not to exceed \$247,000 for a final construction and installation payment to be made immediately.



PORTLAND PUBLIC SCHOOLS

OFFICE OF OPERATIONS

501 North Dixon Street / Portland, OR 97227

Telephone: (503) 916-2000

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STAFF MEMO

Date: January 9, 2023

To: Facilities & Operations Committee

From: Dan Jung, Chief Operating Officer

Subject: Roosevelt High School Grandstands

SUMMARY

The existing Roosevelt High School grandstands have an approximate 800 person capacity. Improvements to the grandstands were not included in the RHS modernization, however the track and field have recently been replaced. District staff have looked into the request to increase capacity to 1,500 capacity for home spectators and add 800 visitor seats on the opposite side of the field.

SCOPE OF WORK

The requested scope includes expansion of the existing home bleachers from 800 seats to 1,500 seats, the installation of a visitors' bleacher section with a seating capacity of 800 seats, and added secure storage under the existing home bleachers (total seat count after completion will be 2,300). The proposal will also add approximately 6,000 SF of building area for use as storage under the bleachers. This would require demolition of the existing concession building located adjacent to the home bleachers.

The proposed project will require a Type III Conditional Use review and cost approximately \$3.5M - \$4.0M.

Proceeding with design and construction of grandstands will require allocation of capital funds. PPS's capital needs are deep and broad, and funds are finite.

DISTRICT CAPITAL NEEDS

Deferred Maintenance

PPS's Facility Condition Assessment (FCA) - completed in 2021 - documented the condition of the District's building assets. The FCA identified over 3000 assets in either Currently Critical or Potentially Critical condition and another approximately 2500 in Necessary but Not Yet Critical.

Examples of critical deficiencies include:

- Failing sanitary sewer lines
- Outdated electrical equipment, wiring and lights
- Deteriorated window systems
- Outdated fire/life/safety systems
- Inoperable stage lighting and curtains
- Mechanical system controls, fans, air handlers and boilers no longer working properly
- Leaking and eroding domestic water lines
- Outdated play equipment
- And much more

Repairing systems that are long past their useful life is costly, inefficient and not sustainable. Ultimately the systems will fail, creating emergency situations. Much of the failing equipment is so outdated that replacement parts are no longer available to repair, which often requires PPS's Machine Shop to fabricate (build from scratch) parts.

Impacts of these aged systems are real and growing. Temperature issues are the most common complaints from school staff - with over 6,000 mechanical system work orders submitted last year - and system issues range from simple discomfort (both hot and cold) to poor indoor air quality, costly emergency repairs and even school closures due to lack of heat.

Staff have identified 5 - 10 sanitary sewer lines in critical condition. In just the last few weeks Astor Elementary was closed for 1 day due to a sewer backup and Jefferson High School was closed due to a deteriorated water supply line that caused flooding.

The Facility Condition Index (FCI) is the ratio of a building's maintenance costs relative to replacing the building at current construction costs. FCI values range from 0.00 (Good) to 1.00

(Critical). A higher FCI indicates a greater need for remedial funding, relative to the facility's replacement value. The District average FCI is 0.13 or "Poor." Sixty-two (62) facilities rated Poor or Critical of the ninety-four (94) sites assessed, indicating a critical need to invest in existing facilities.

Staff estimate that to reduce the FCI from "poor" to "fair" over a ten-year period, would require a total investment of approximately \$700 million, or \$70 million per year.¹

Planned Improvements

The Board of Education accepted the Long-Range Facility Plan (LRFP) in December 2021 after a year of development and engagement with subject matter staff and the broader District community. The purpose of the LRFP is to plan for future capital improvements within the context of current educational vision and student enrollment trends over the next 10 to 15 years. The plan provides a strategic framework to be tested against community voice and vision prior to future bond campaigns.

The plan notes that most of the District's high schools are on small urban sites and lack the acreage to provide the athletic facilities and fields needed to support comprehensive high school athletic programming. The priority athletic capital improvements noted in the LRFP are:

High Priority

- Develop Jackson, Marshall, and Whitaker-Adams as athletic hubs.
- Athletic upgrades at four (4) middle schools: Lane, Ockley Green, George, and West Sylvan. Each site should at minimum have a multipurpose turf field with a track, an appropriately sized main gym and an auxiliary gym.
- Access to turf baseball and softball fields for all high schools (e.g., Franklin, Marshall).

Moderate Priority

- Athletic upgrades at four (4) additional middle schools: Hosford, Beaumont, Roseway Heights, and Harrison Park. Each site should at minimum have a multipurpose turf field with a track, an appropriately sized main gym and an auxiliary gym.

[See LRFP - Volume 1 \(page 74 - 79\) for details.](#)

¹ This calculation is based on the deficiencies identified in the FCA and does not account for additional asset failures after completion of the FCA.

AVAILABILITY OF FUNDS

Non-Bond Funds

Non-bond funds for facility improvements are limited. PPS's primary source for unrestricted capital are Funds 404² and 445.³ New revenue into these funds have (generally) been dropping in recent years. The below table illustrates that the average new revenue for the 3-year period from FY17 - FY19 was about \$8 million; however the average for the 3-year period from FY22 - FY24 decreased to approximately \$5.8 million per year. Decreasing funding coupled with high construction escalation rates in recent years, and an aged facility portfolio, has hampered PPS's ability to respond to critical facility needs.

	New Revenue		
	Fund 404	Fund 445	Total
FY 2016/17	7,199,536	676,131	7,875,667
FY 2017/18	8,424,893	727,914	9,152,807
FY 2018/19	6,158,795	847,021	7,005,816
FY 2019/20	4,372,877	11,347,858 ¹	15,720,735
FY 2020/21	3,464,861	45,441	3,510,301
FY 2021/22	5,445,928	78,579	5,524,507
FY 2022/23	4,466,906	737,928	5,204,834
FY 2023/24	5,506,267	1,220,000	6,726,267

¹ \$10 million from sale of property

Additionally PPS's primary fund (Fund 191) for non-capital improvements is relatively very small and has also been declining in revenue in recent years.

Begin Fund Balance	
	Fund 191
FY 2016/17	2,206,777
FY 2017/18	2,762,132
FY 2018/19	1,610,606
FY 2019/20	1,640,606
FY 2020/21	1,310,606
FY 2021/22	1,245,606
FY 2022/23	1,186,606
FY 2023/24	996,606

² Fund 404 receives revenue from the City of Portland's Construction Excise Tax

³ Fund 445 receives revenue from Civic Use of Building permit fees, lease revenue and property sales

It is also worth noting that the majority of currently available funds (capital and non-capital) have been allocated to active construction projects. PPS has over 100 current projects, below is a sampling:

- Sidewalk repairs at Richmond
- Chimney repairs at Rice
- Elevator repairs at Jackson
- Steam leak repairs at Buckman
- Sewer line replacement at Creston
- Carpet replacement at Astor
- Front door replacement at Rigler
- Pre-K play equipment at King
- Water intrusion repair at Llewellyn
- Abate and replace flooring at Abernethy
- Installation of projector at Woodlawn
- Replacement of the vent hood at Sunnyside
- Replace exterior lighting at Jackson
- Repair covered play structure at Sabin
- Replace the roll-up doors at Chavez
- Regrout and repair restroom at Cleveland
- Repair siding at Creston
- Replace univents at Applegate
- Repair sidewalk at Boise-Eliot
- Repair sewer line at Chief Joseph
- Replace the backflow fire sprinkler at George
- Repair stairs at Grey

Bond Funds

The Lincoln High School Modernization project completed phase 1 of construction in summer 2022 and reached substantial completion for phase 2 in summer 2023. The project is currently in the closeout phase. The project budget contains \$242,500,000 in funds coming from the 2017 general obligation bond. Current forecasts estimate the project will complete approximately \$17 million under budget.⁴

⁴ \$10 million of this savings has been earmarked for additional health and safety improvements in an MOA with the Portland Association of Teachers.

The 2017 bond funded the modernization of Lincoln High School, McDaniel High School, Benson Polytechnic High School and Kellogg Middle School. Additionally the 2017 bond language states at least \$158 million of funds will be allocated for district-wide health and safety projects.⁵

As the 2017 construction program nears completion⁶ program savings become available for other/additional projects. Program savings can be allocated to projects that are capitalizable and meet bond compensability requirements.⁷ Generally bond funds can be used for a variety of capital projects from addressing current deferred major maintenance needs - such as replacing end of life elevators, failing playgrounds, deteriorating sewer lines, etc. - to new and unplanned projects.

RECOMMENDATION

Considering the condition of PPS's existing facility portfolio, and the limited availability of funding to address deferred maintenance, Staff recommends that future improvements to Roosevelt's grandstands be considered as part of future bond planning, and that 2017 bond savings be used to address deferred maintenance and existing facility needs.

⁵ To date the 2017 bond has spent approximately \$122M on health and safety improvements.

⁶ The final major construction project, Benson Polytechnic HS, is scheduled to reach substantial completion in summer 2024.

⁷ Any bond allocation to a project that is not expressly identified in the bond language would need to be vetted with bond counsel.



FORWARD **TOGETHER**

2024-25 Budget Development Update

PPS School Board & Community Budget Review Committee
Budget Work Session
Phase 2: March 19, 2024

Session Goals

- Share updates on developing the proposed budget for next year
- Use a Notice and Wonder protocol to provide space for discussion
- Outline next steps in the budget development and approval process

Financial Outlook: Where are we now?

Though the team has continued to seek new information to better inform our financial planning, the resource picture remains unchanged.

We are closing \$30 million budget gap in the 2024-25 school year.

Informing Difficult Decisions: Engaging Stakeholders and Data

How are budget decisions made?

The district must center PPS's priorities when making decisions, especially when facing a budget shortfall that requires large reductions. One of the earliest phases of budget decision-making is **designing the core requirements for schools. The core program is designed to comply with all requirements, including contractual needs, and to align to the district's priorities.** This year, the team team analyzed the **overall system of school-based supports** (including central and school-based positions). This analysis found some redundancies. A goal for this year was to be **more strategic and more specific about allocations to the schools that need additional supports.**

In lean times, we must **isolate core requirements from additional investments.** Investments beyond core requirements are evaluated and data is engaged to understand:

- The intention of the program and orientation to schools; is the program impacting students?
- The success of a program; is it meeting its goals? What are our communities' perspectives on the program?
- The resources used by the program
- How many students are served and who are the focal student groups
- The cost effectiveness or “academic return on investment” of the program

Engaging Data and Perspectives: Principal Survey

- **This January, principals shared insights** in a survey focused on **school-based staffing** allocations, **central supports**, and **long-term planning**. These findings were **key in formulating and validating** school staffing decisions and central office proposed budgets.
- Principals ranked some positions as highly important to student success, for example:
 - Counselors, site-based instructional coaches, and social workers
- Principals ranked some central office supports as highly important to student success, for example:
 - Social and Emotional Learning, Professional Learning, IT Support, and Curriculum Adoption
- **A theme in open-ended responses was limited resources:**
 - “Our school has very few resources. I cannot imagine our school operating safely without at least keeping our staffing as it is for the 2023-2024 school year.”
 - “We are running thin in most areas. We currently do not have additional staff who are not essential to student success.”
 - “We already do what we have with very little staff. Nothing can go without impacting our students.”

Reductions to Centrally Funded Budgets - INITIAL ESTIMATES

Unfortunately, our budget gap means that over the next few years, PPS will experience a reduction in staff, programs, and services in schools and the central office.

Central budget reductions will likely total to \$15-17 million

Staff Reductions

(Includes Vacant and Filled Positions)

Estimated \$13 - 15 million

Non-Personnel Reductions

(Includes Contracts, Supplies)

Estimated \$2 million

These are **preliminary estimates**; as additional information and decisions surface, these figures may shift.

Impacts to Centrally-Managed Services

In order to address the long-term imbalance in our budget, resources allocated to centrally-managed services have declined over the last two years and will continue to be reduced in the coming school year.

- Central office operations will be streamlined and services will be consolidated.
- While these resources are centrally-managed, reductions will impact school sites to some extent.
- District-wide spending policies are being assessed to reduce non-personnel costs.
- More information will be shared in April.

Impacts to Centrally-Managed Services

More limited resources will be allocated across nearly all functional areas. The reductions may include staff positions, contracted services, supplies/materials and/or be attained through operational efficiencies:

- Academic programs administration
- Business operations and administrative support
- Communications
- Community partnerships and engagement
- Custodial services
- Early learning programs
- Security services
- Senior / executive leadership
- Student support services
- Technology services

Continuing Enhancements and Prioritizing the Student Experience



Notice and Wonder

- For discussion:
 - Considering what staff has shared, what do you **notice**? What do you **wonder**?

Resources for Our Communities

- [Budget Development Website](#)
- Community Information Sessions in April and May (Details Coming Soon!)

Next Steps

- April and May: Community Information Sessions
- April 23: Proposed Budget Presented to Board
- May 1: Board Conducts Community Engagement (Public Comment Session)
- May 7: CBRC Report Presentation and Board Work Session
- May 14 (tentative - if needed): Board Budget Work Session
- May 21: Approved Budget Hearing
- June 11: TSCC Hearing and Adopted Budget Hearing

Appendix

Deeper Dive: Preserved Programs, Efficiencies, and Key Funding Changes

Modest Increases in Class Size

- Looking ahead to next year, the district projects the average elementary class at 23.2 students. For comparison, in the current year, the average elementary class size is 22.3.
- The district estimates that 98.7% of total homerooms will be below the class size maximum.
- Generally class size maximums will return to 2021-22 levels.

Continued Investment in School-Based Professional Development

- Instructional Coaches are focused on improving instruction. They work directly with teachers and school leadership.
- Starting in 2023-24, every PPS school has a School-Based Instructional Coach. **This investment is continuing in 2024-25.**
- Feedback from principals informed this additional investment. This feedback was reaffirmed this January: **site-based coaches have become key instructional leaders.** These team members are enabling aligned instruction and promoting research-backed best practices at every site at PPS.

Continuing Arts Access

- The district has changed how arts educators are allocated to each school.
- The result is a slight reduction in the number of arts educators, and some arts educators who have been at just one school may now work at multiple schools over the course of a week.
- Our students will continue to receive the exact same access they currently have.

Other Changes to School Staffing

- The district is ensuring teacher planning time is supported and state mandates are met for middle school PE; to meet these requirements there will be changes to staffing allocations at each school.
- The district is streamlining and combining learning support services in schools and through the central office.
- Resources will be redirected for social, emotional and behavioral supports towards efforts that create a more consistent, high-quality, and joyful learning experience for every student.

Title Program Changes

- Federal Title programs provide funding for a specific purpose. For example, Title I funds provide additional support for schools that serve children who have risk factors like poverty.
- Eligible Title I schools get an amount of federal money based on the number of students in the school who are directly certified by USDA standards. A recent change to Title eligibility requirements added Medicaid enrollment as a factor; thus, PPS will see an increase in Title identified schools in 2024-25.
- **In the current year, PPS has 25 Title schools. In 2024-25, PPS will have a total of 36 Title schools, which now includes three high schools and two charter schools identified as Title.**
- **This means the same amount of funding is spread across more sites.**

School Year 2024-25 Budget Development: High-Level Financials

We Face Financial Pressures

Rising Costs

Inflation has resulted in higher costs of goods and services.

We have invested in our team members' wages and teacher planning time.

Our student needs continue to grow.

Limited Revenue

Our state dollars continue to fall short of the costs to operate our schools.

We have less special revenue, including the end of federal pandemic aid.

Declining Enrollment

We have fewer students, more staff, and the same number of buildings.

Our funding is dependent upon number of students.

Since 2020, PPS's student enrollment decline has been 9.5%, has fallen faster than Oregon's (6%), and is projected to continue to decline.

General Fund Revenue and Expense Gap: **\$170 million+ in 3 years**

	Current Year 2023-24 (in millions)	Projected 2024-25	Projected 2025-26
Total Revenue (+)	\$746.8	\$764.7	\$777.3
Total Expenses & Requirements (-)	\$789.3	\$826.2	\$850.5
Net (Revenue - Expenses)	-\$42.5	-\$61.5	-\$73.2

- \$170 million+ gap is total of negative net revenue over the three years

How Are We Going To Balance The Budget?

	Current Year 2023-24 (in millions)	Projected 2024-25	Projected 2025-26
Net (Revenue - Expenses)	-\$42.5	-\$61.5	-\$73.2
Use Reserves	+\$32.5	+\$30.5	+\$1.2
<i>Remaining Gap Closing Needed</i>	<i>+\$10.0</i>	<i>+\$31.0</i>	<i>+\$72.0</i>
<i>Balanced Budget</i>	<i>\$0</i>	<i>\$0</i>	<i>\$0</i>

Projected Reserves	\$72.9	\$42.4	\$41.1*
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- ***Remaining Gap Closing Needed*** is where we need to make cuts to get to a balanced budget.

* 5% minimum threshold per board policy