

Agenda

1. 6:00 pm - Opening - 5 min.
2. 6:05 pm - Resolution to Recognize May 2021 as National Mental Health Awareness Month (Resolution 6302) *Vote- Public Comment Accepted*
3. 6:10 pm - Consent Agenda: Resolutions 6291 and 6296 through 6300 *Vote- Public Comment Accepted*
 - 3.(a) Resolution 6291: Resolution Authorizing Amendment to the Bond Accountability Committee Charter
 - 3.(b) Resolution 6296: Adoption of the Index to the Minutes
 - 3.(c) Resolution 6297: Expenditure Contracts
 - 3.(d) Resolution 6298: Portland Public Schools Board and Superintendent/Staff Expectations and Operating Protocols
 - 3.(e) Resolution 6299: Ethics and Conflicts of Interest Training and Compliance Statement
 - 3.(f) Resolution 6300: Board Leadership Elections Process
4. 6:25 pm - Student and Public Comment
5. 6:45 pm - Student Representative's Report
6. 6:50 pm - Superintendent's Report
7. 7:00 pm - Update: Fall Reopening
8. 7:15 pm - Discussion: Resolution to Prepare for Full-Time Reopening of In-Person Learning for the 2021-22 School Year
9. 7:30 pm - Discussion: PERS Obligation Funds
10. 7:50 pm - Discussion: Southeast Guiding Coalition Committee (SEGC) Charge
11. 8:30 pm - Community Budget Review Committee (CBRC) 2021-2022 Budget Report
12. 8:50 pm - Discussion: 2021-2022 Budget
13. 9:50 pm - Other Business / Committee Referrals
14. 9:55 pm - Adjourn

RESOLUTION No. 6302

Resolution to Recognize May 2021 as National Mental Health Awareness Month

RECITALS

- A. Since 1949, May has been designated as National Mental Health Awareness Month.
- B. May 7th is designated as National Children's Mental Health Awareness Day, to raise awareness of issues surrounding children with mental health concerns.
- C. Youth mental health issues continue to be a growing and worsening trend in America's schools.
- D. Current research affirms that social, emotional, and behavioral health is a foundation for the holistic development of every student.
- E. A focus on prevention and early intervention could greatly reduce the number of children experiencing serious mental health conditions.
- F. Children today face complex social, emotional, and behavioral conditions requiring intervention, care, support in school and that those conditions have been exacerbated during the Coronavirus Pandemic.
- G. Addressing the complex mental health needs of our children, youth, and families places upon our community a critical responsibility.
- H. Teachers, psychologists, social workers, behavior specialists, school counselors, mental health specialists, nurses, site administrators, classified staff, and other school personnel serve a critical role in ensuring the mental health and well-being of our students.

RESOLVED

The Portland Public Schools Board of Education hereby wishes to acknowledge and recognize the month of May, 2021 as National Mental Health Awareness Month and honor the contributions of all district teachers, psychologists, social workers, school counselors, mental health specialists, nurses, site administrators and other school personnel who contribute to the mental health and wellness of all students at Portland Public Schools.

RESOLUTION No. 6291

Resolution Authorizing Amendment to the Bond Accountability Committee Charter

RECITALS

- A. As part of the 2012 Bond Program (Multnomah County Ballot Measure 26-144), Resolution 4651 created a Bond Accountability Committee to assist the Board in monitoring the planning and progress of the 2012 Capital Bond Program.
- B. Resolution 5475 amended the Bond Accountability Committee Charter to extend the scope of the Committee to include monitoring the planning and progress of the 2017 Bond Program (Multnomah County Ballot Measure 26-193).

RESOLUTION

- 1. The Board hereby amends the Bond Accountability Charter to expand the scope of the Committee to include review of the 2020 Bond Program (Multnomah County Ballot Measure 26-215), in addition to the other ancillary changes and clarifying edits reflected on Exhibit A.

Portland Public Schools Capital Construction Bond Accountability Committee Charter

Update: _____, 2021

Background

Portland Public Schools (the District) has successfully referred Capital Construction Bond Measures for voter approval in November 2012, ~~and~~ May 2017 and November 2020. The District has established a citizen Bond Accountability Committee to assist in monitoring the planning and progress of the bond programs.

Committee Charge

~~The Portland Public Schools Board of Education~~ In response to the need for accountability regarding the District's effective use of capital construction bond funds, the PPS School Board (Board) has appointed a citizen Bond Accountability Committee ("Committee") whose charge is to monitor the planning and progress of the bond programs relative to voter-approved work scope, schedule and budget objectives. ~~The Committee shall also monitor future bond planning efforts.~~

The duties of the Committee are (i) to receive reports on the current status and planned implementation of the bond program; (ii) to determine whether such status and implementation are consistent with the program approved by the voters; and (iii) to report their findings to the Board. The committee informs and advises the Board, but does not have decision making authority.

The Superintendent has overall responsibility for performance of staff engaged in the implementation of the bond programs.

The Committee will regularly review and provide updates to the Board on: ~~actively review the bond programs and provide advice to the Board on:~~

- Whether the school district bond revenues are expended only for the purposes for which the bonds were approved, and that bond revenues are not used for any purpose prohibited by law;
- Whether the bond budget is sufficient to complete the scope of work as outlined in the voter-approved bonds;
- Whether the projects planned, in progress, and completed will meet the scope of work specified in the voter-approved bonds; and

- Whether the projects are being delivered on schedule relative to the voter-approved bonds;

The Committee will receive and review copies of annual performance audit reports and financial audit reports to ensure Bond revenues are expended in compliance with state law and the ballot measure language.

Additionally, the Committee may provide feedback and/or advice to the Board on one or more of the following topics:;

- Alignment with the goals and principles of the Long Range Facilities Plan;
- Alignment with the goals of the Business Equity Policy;
- District standards and innovative practices for achieving lower maintenance and construction costs while improving operating efficiency, sustainability, and increasing building longevity;
- Historic preservation and school renovation opportunities compatible with the architecture of surrounding Portland neighborhoods;
- Potential capital partnerships for joint and shared use of PPS facilities;
- Implementation of appropriate ways to address seismic issues;
- Topics and scope for the annual performance audit work plan;
- Compliance with ADA; and
- Communicating key information related to the bonds to the School Board, public groups, organizations and stakeholders.

The Committee will also review future bond planning processes and materials and provide advice, as requested by the Board, to the Board, prior to bond referral, on:

- Cost estimating processes related to proposed modernization efforts, new construction projects and other potential scopes of work.
- Bond development risk management strategies including project cost escalation assumptions, contingency assumptions, bond management cost estimates, etc.

The Committee may request additional documents and provide advice to PPS staff on topics agreed upon by the Committee and PPS staff.

The Committee will use the ~~Racial Equity and Social Justice~~ Racial Equity and Social Justice framework in its review of bond projects and in providing advice to the Board. Any

recommendation from the Committee to the Board will include discussion of any possible impact on historically underserved student populations.

~~The Committee will receive and review copies of annual performance audit reports and financial audit reports, and has the option to inspect school facilities and grounds to ensure Bond revenues are expended in compliance with state law and the ballot measure language.~~

The Committee will review regular quarterly reports produced by the District each year the bond proceeds are being spent. ~~The Committee will use these documents in order~~ to verify general compliance with the purposes set forth in the capital improvement programs as approved by the voters.

The Committee will report regularly quarterly to the Board or Board committee as requested by the Board.

The Committee will perform other reasonable duties requested by the Board.

Committee Membership

The Committee shall consist of approximately seven to ten members reflective of the diversity of Portland. The Board will appoint committee members and a chairperson.

The committee shall be comprised of individuals with a commitment to fairness and transparency and belief in the role of the public sector as stewards of public funds.

Membership of the committee should display a commitment to and experience in one or more of the following:

- Building design, architecture, engineering
- Construction and/or construction financing
- Workforce equity and/or career learning equity
- Public contracting, budgeting, and/or auditing
- Business equity, Minority-owned, Women-Owned, or Emerging Small Business (MWESB) opportunities in public works
- One or more of the specific bond project scopes of work

The Committee shall be comprised of a mix of individuals with a good reputation in the community for fairness and transparency, and a majority of the committee will be people

with a combination of experience in building design; construction; construction financing; public contracting, budgeting, and/or auditing.

- The Committee members shall receive no direct or indirect compensation from the District for their services as members of the Committee.
- The Committee members may not have an active or pending contract with the District, nor enter into a contract during their term on the Committee.
- The Committee may not include any employee or official of the District, or any vendor, contractor or consultant of the District.
- A Committee member serves to advise the Board. If a Committee member resigns, violates the Committee Code of Ethics contained herein (see attachment), fails to attend two consecutive Committee meetings without reasonable excuse, or otherwise becomes unable to serve on the Committee, the Board may declare the position on the Committee to be vacant and appoint another qualified person to the Committee.
- Members are appointed to staggered 2-, 3- and 4-year terms and may reapply for consideration to serve additional terms. Effective July 1, 2019, a Committee member shall not hold the title of chairperson for more than 3 years. A Committee member may serve for a total of no more than eight years.

Committee Operations

The Committee operates in an advisory capacity to the Board. The Committee is not responsible for the bond program or project outcomes and does not direct staff including any contracted staff, consultants, contractors or auditors. The charge to the Committee does not include:

- Approval of construction contracts;
- Approval of construction change orders;
- Appropriation of construction funds;
- Handling of legal matters;
- **Approval or performance of ~~or~~-audit scope of work;**
- Approval of construction plans and schedules;
- Approval of the sale of bonds;

- Priorities and order of construction for the bond projects;
- Selection of architects, engineers, construction managers, project managers, and such other professional service firms;
- The approval of the scope or design for any project;
- The selection of independent audit firm(s), performance audit consultants and such other consultants as are necessary to support the performance of the Bond Program;
- Setting or approving schedules of design and construction activities;
- Activities, roles or responsibilities that have been designated by the Superintendent or her designee to staff or consultants, or any policy-making responsibilities;
- Approval of future bond scopes of work; or
- Approval of current or future project cost estimates.

Committee Meetings

- The Committee will meet no less than quarterly or as requested by the Board.
- Committee meetings are advisory and not related to formal decision-making by the Board. Committee meetings shall include opportunity for public comments.
- The Superintendent will assign and delegate the appropriate level of staff to support the Committee's work.
- District staff will provide necessary technical and administrative assistance as follows:
 - A meeting room, including any necessary audio/visual equipment;
 - Preparation and copies of any documentary meeting materials, such as agendas and reports; and distribution of those materials to the committee in a timely manner.
 - Provision of reports covering the School Bond Programs.
 - Preparation of Committee meeting minutes and posting for public viewing and use on the PPS web site.
 - District staff will attend Committee meetings in order to report on the status of capital improvement projects, to respond to questions, and to receive

advice and counsel on the overall bond programs or any of their component parts. District project consultants may attend Committee meetings at the discretion of District staff.

Attachment

Portland Public Schools Capital Construction

Bond Citizen Accountability Committee:

Code of Ethics

A Code of Ethics provides general guidelines for Committee members to follow in carrying out their roles. Not all ethical issues that Committee members face are covered in this Code. However, this Code captures some of the critical areas that help define ethical and professional conduct for Committee members. Committee members are expected to strictly adhere to the provisions of this Code of Ethics.

Policy

Each Committee member must uphold the federal and Oregon Constitutions; the laws and regulations of the United States and the State of Oregon, including complying fully with the ethics laws found within ORS Chapter 244; and the policies, procedures, rules, and regulations of the District. Additionally, Committee members shall:

- Act in the best interest of the District and the public
- Make service on the Committee a high personal priority by participating constructively and consistently in Committee work
- Prepare for meetings by reading the agenda and supporting material and learning about the subject matter
- Participate in rational, informed deliberations by considering reliable information and thinking critically
- Use one's own judgment versus following the lead of others
- Be committed to serving the District as a whole rather than any part or any personal or political cause

- Avoid conflicts of interest or the appearance thereof
- Provide advice and counsel untainted by personal, professional, or political interest
- Adhere to the highest standards of personal and professional behavior

For a period of one (1) year after leaving the Committee, a former Committee member may not represent any person or organization for compensation in connection with any matter pending before the District that, as a Committee member, he or she participated in personally and substantially. Specifically, for a period of one (1) year after leaving the Committee, a former Committee member and the companies and businesses for which the member works shall be prohibited from contracting with the District with respect to:

- bidding or proposing to provide services on projects funded by the bond proceeds;
and/or
- any construction project funded by the District.

RESOLUTION No. 6296

The Following Index to the Minutes are offered for Adoption

- April 27, 2021 – Regular Meeting



Index to the Minutes

(Draft for Approval)

Regular Meeting

Tuesday, April 27, 2021

Attendance

Present: Chair Lowery, Directors Bailey, Brim-Edwards, DePass, Kohnstamm, Moore, Scott; Student Representative Shue

Absent: None

<u>Index</u>	<u>Page</u>
Actions Taken.....	02
6288 Adoption of Index to the Minutes.....	03
6289 Expenditure Contracts that Exceed \$150,000 for Delegation of Authority	04
6290 Revenue Contracts that Exceed \$150,000 Limit for Delegation of Authority.....	06
6291 TABLED	08
6292 Resolution to Celebrate Teacher and School Administrator Appreciation Week of May 3, 2021	09
6293 Resolution to Change the Mascot of Ida B. Wells-Barnett High School	10
6294 Resolution to Approve the 2021-22 School District Calendar.....	11
6295 Service Employees International Union and School District No. 1J, Multnomah County, Oregon, Impact Bargaining Letter of Agreement.....	12

Actions Taken

- **Resolution 6291**

Resolution 6291 was pulled from the consent agenda and subsequently tabled.

- **Consent Agenda – Resolution 6288-6290 and 6295**

Director Kohnstamm moved and Director Brim-Edwards seconded the motion to approve the Consent Agenda, including Resolutions 6288-6290 and 6295. The motion was put to a voice vote and passed, with Student Representative Shue voting yes (unofficial).

Director Scott Bailey: Yes, Director Julia Brim-Edwards: Yes, Director Michelle DePass: Yes, Director Amy Kohnstamm: Yes, Director Eilidh Lowery: Yes, Director Rita Moore: Yes, Director Andrew Scott: Yes; Student Representative Shue: Yes

Yes: 7, No: 0

- **Resolution 6292**

Director Brim-Edwards moved and Director Bailey seconded the motion to approve Resolution 6292, Resolution to Celebrate Teacher and School Administrator Appreciation Week of May 3, 2021. The motion was put to a voice vote and passed, with Student Representative Shue voting yes (unofficial).

Director Scott Bailey: Yes, Director Julia Brim-Edwards: Yes, Director Michelle DePass: Yes, Director Amy Kohnstamm: Yes, Director Eilidh Lowery: Yes, Director Rita Moore: Yes, Director Andrew Scott: Yes; Student Representative Shue: Yes

Yes: 7, No: 0

- **Resolution 6293**

Director Brim-Edwards moved and Director DePass seconded the motion to approve Resolution 6293, Resolution to Change the Mascot of Ida B. Wells-Barnett High School. The motion was put to a voice vote and passed, with Student Representative Shue voting yes (unofficial).

Director Scott Bailey: Yes, Director Julia Brim-Edwards: Yes, Director Michelle DePass: Yes, Director Amy Kohnstamm: Yes, Director Eilidh Lowery: Yes, Director Rita Moore: Yes, Director Andrew Scott: Yes; Student Representative Shue: Yes

Yes: 7, No: 0

- **Resolution 6294**

Director Scott moved and Director Brim-Edwards seconded the motion to approve Resolution 6294, Resolution to Approve the 2021-22 School District Calendar. The motion was put to a voice vote and passed, with Representative Shue voting yes (unofficial).

Director Scott Bailey: Yes, Director Julia Brim-Edwards: Yes, Director Michelle DePass: Yes, Director Amy Kohnstamm: Yes, Director Eilidh Lowery: Yes, Director Rita Moore: Yes, Director Andrew Scott: Yes; Student Representative Shue: Yes

Yes: 7, No: 0

RESOLUTION No. 6288

The Following Index to the Minutes are offered for Adoption

- April 13, 2021 – Regular Meeting

RESOLUTION No. 6289

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 Administrator, Funding Source
Schetky Northwest	4/28/21 through 6/30/21	Purchase Order PO 154959	Purchase of passenger activity buses for Rosemary Anderson High School and Mt. Scott Learning Center. Purchase made against Cooperative Contract (COA-67760) Administering Contracting Agency: Lane County School District	\$190,541	K. Cuellar Fund 101 Dept. 5485
Portland General Electric	4/28/21 through 12/31/22	Utility Agreement UT 89969	Line extension agreement for Lincoln HS Modernization.	\$748,112	C. Hertz Fund 457 Dept. 3120 Project DA006
Lab-Aids	4/28/21 through 4/30/28	Digital Resource DR 90004	Middle school science adoption resources and professional development. Approved Special Class Procurement – Copyrighted Materials and Works PPS-47-0288(4)	\$2,662,900	K. Cuellar Fund 458 Dept. 5445 Project DC401
Rosemary Anderson High School	4/28/21 through 8/31/21	Personal Services PS 90016	Provide PPS Equity Allocation funding to support the development of a Culinary Arts CTE project strand and create a Culinary Facility at Rosemary Anderson HS. Direct Negotiation – Unique Knowledge or Expertise in a Specialized Service Area (PPS 46-0525(4))	\$308,085	K. Cuellar Fund 191 Dept. 5485 Project HW500

NEW INTERGOVERNMENTAL AGREEMENTS (“IGAs”)

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
Portland Community College	4/15/21 through 8/31/21	Intergovernmental Agreement IGA 90015	Provide PPS Equity Allocation funding for two mental health counselors for PPS students enrolled in PCC LINKS program.	\$181,142	K. Cuellar Fund 191 Dept. 5485 Project HW 500

AMENDMENTS TO EXISTING CONTRACTS

Contractor	Contract Term	Contract Type	Description of Services	Amendment Amount, Contract Amount	Responsible Administrator, Funding Source
Gartner, Inc.	4/28/21 through 10/31/21	Cooperative Contract COA 67371 Amendment 1	Adds additional funding for information technology research and advisory services. Administering Contracting Agency: State of Oregon	\$150,000 Estimated spend over the life of the contract: \$273,638	C. Hertz Fund 101 Dept. 5581
Ednetics, Inc.	4/28/21 through 3/24/26	Cooperative Contract COA 89588 Amendment 1	Adds additional funding for purchase of network equipment and network support services. Cooperative Procurement Group: Organization for Educational Technology and Curriculum (OETC)	\$4,000,000 Estimated spend over the life of the contract: \$5,000,000	C. Hertz Funding Source Varies

RESOLUTION No. 6290**Revenue Contracts that Exceed \$150,000 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 \$150,000 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 the following agreements.

NEW REVENUE CONTRACTS

No New Revenue Contracts

NEW INTERGOVERNMENTAL AGREEMENTS / REVENUE (“IGA/Rs”)

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
State of Oregon	4/1/21 through 9/30/23	Intergovernmental Agreement/Revenue IGA/R 90007	ODE Grant 14412 – Student Success Act summer learning program for historically underserved students – Lent	\$372,426	K. Cuellar Fund 205 Grant G1988
State of Oregon	4/1/21 through 9/30/23	Intergovernmental Agreement/Revenue IGA/R 90008	ODE Grant 14413 – Student Success Act summer learning program for historically underserved students – Ockley Green	\$372,426	K. Cuellar Fund 205 Grant 1988
State of Oregon	4/1/21 through 9/30/23	Intergovernmental Agreement/Revenue IGA/R 90009	ODE Grant 14410 – Student Success Act summer learning program for historically underserved students – Boise Eliot	\$248,565	K. Cuellar Fund 205 Grant G1988
State of Oregon	4/1/21 through 9/30/23	Intergovernmental Agreement/Revenue IGA/R 90010	ODE Grant 14411 – Student Success Act summer learning program for historically underserved students – Kelly	\$358,869	K. Cuellar Fund 205 Grant G1988
State of Oregon	4/1/21 through 9/30/23	Intergovernmental Agreement/Revenue IGA/R 90011	ODE Grant 14414 – Student Success Act summer learning program for historically underserved students – Peninsula	\$219,603	K. Cuellar Fund 205 Grant G1988
State of Oregon	4/1/21 through 9/30/23	Intergovernmental Agreement/Revenue IGA/R 90012	ODE Grant 14417 – Student Success Act summer learning program for historically underserved students – Woodmere	\$240,554	K. Cuellar Fund 205 Grant G1988
State of Oregon	4/1/21 through 9/30/23	Intergovernmental Agreement/Revenue IGA/R 90013	ODE Grant 14415 – Student Success Act summer learning program for historically underserved students – Sitton	\$286,772	K. Cuellar Fund 205 Grant G1988
State of Oregon	4/1/21 through 9/30/23	Intergovernmental Agreement/Revenue IGA/R 90014	ODE Grant 14416 – Student Success Act summer learning program for historically underserved students – Vestal	\$224,200	K. Cuellar Fund 205 Grant G1988

AMENDMENTS TO EXISTING REVENUE CONTRACTS

No Amendments to Existing Revenue Contracts

April 27, 2021

RESOLUTION No. 6291

TABLED

RESOLUTION No. 6292

Resolution to Celebrate Teacher and School Administrator Appreciation Week of May 3, 2021

RECITALS

- A. Over 3,700 Portland Public Schools administrators, teachers and professional educators, through their expertise and passion, prepare the nearly 50,000 students in Portland Public Schools to succeed in college and career and to become responsible members of our community.
- B. The Board of Education acknowledges the daily work of our administrators and teachers and their commitment to excellence in education for all students of Portland Public Schools.
- C. Every day, PPS administrators and teachers challenge students through engaging and rigorous curriculum and instruction that are relevant to their lives, spark their interests and help them to reach their full potential.
- D. Every day, administrators and teachers build relationships with students and families to develop teamwork and collaboration that supports active, engaged learners in school and at home.
- E. Every day, administrators and teachers collaborate with colleagues to strengthen their teaching practices, to identify and serve each student's individual learning styles and needs.
- F. Every day, administrators and teachers reach outside the classroom to build relationships with community partners that create vibrant and productive learning environments.
- G. Since March of 2020, during this time of the COVID-19 pandemic crisis, our teachers and administrators have committed to learning new technologies and innovations in order to continue educating our more than 48,000 students.
- H. Our teachers and administrators go beyond teaching to provide social and emotional learning, mental health support, and supports to the whole child.

RESOLUTION

1. The Portland Board of Education declares the week of May 3, 2021, Teacher and School Administrator Appreciation Week in recognition and appreciation of their dedicated efforts to ensure the success of students in Portland Public Schools.

RESOLUTION No. 6293

Resolution to Change the Mascot of Ida B. Wells-Barnett High School

RECITALS

- A. Portland Public Schools acknowledges that the names of school buildings have a significant impact on the overall educational environment and can foster positive student development and sense of belonging.
- B. On January 26, 2021, the Portland Public Schools Board of Education unanimously approved Resolution No. 6235 to change the name of Woodrow Wilson High School to Ida B. Wells-Barnett High School.
- C. Shortly after, the Ida B. Wells-Barnett community commenced an engagement process led by a committee of students, staff, parents, and community members to determine the school's new brand identity.
- D. The community engagement process was defined by both quantitative and qualitative approaches to solicit feedback from the community on the new mascot and a final recommendation from the committee to the Superintendent for his review and final recommendation to the Board of Education.
- E. The committee recommended the "Evergreens" as their first choice of the new mascot to the Superintendent.
- F. On March 30, 2021, Ida B. Wells-Barnett High School submitted a name recommendation for their mascot after completing the second phase of a student and equity-centered design process. Board discussion surfaced questions about "Evergreens" as a proposed school mascot for Ida B. Wells-Barnett High School and whether this symbol might conjure up painful memories of our country's troubling history of lynching.
- G. Following the Board of Education meeting, the Ida B. Wells-Barnett mascot renaming committee revisited the mascot recommendation and decided to move in another direction. After reviewing the community votes, Guardians emerged as the next strongest mascot recommendation.
- H. Ida B. Wells-Barnett devoted her life to promoting and protecting justice, truth, and human dignity. She gave voice to those who were silenced and she defended those who were mistreated. She used the power of writing and public speaking to shed light on the ugly truth of racism. She was a true guardian of democracy and social justice. As Ida B. Wells High School Guardians, the Ida B. Wells-Barnett community aspires to promote her legacy and to foster her lasting message of determination, valor, and tolerance among students, families, and staff.
- I. The Ida B. Wells-Barnett renaming committee in collaboration with the Office of Strategic Partnerships and Engagement designed an extended community process to glean feedback from student affinity, leadership, and athletic groups; community members; and descendants of Ida B. Wells-Barnett.
- J. The Ida B. Wells-Barnett school community recognizes that rebranding is a necessary step towards school transformation, but they are committed to continuous culture building through local and national partnerships.
- K. The Superintendent, having reviewed the process and work of the committee, recommends to change Ida B. Wells-Barnett High School mascot from the Trojans to the Guardians.

RESOLVED

The Board thanks the committee for its thoughtful work in developing and proposing a new mascot for Ida B. Wells-Barnett High School. The Ida B. Wells-Barnett School mascot will now be known as the Guardians.

RESOLUTION No. 6294

Resolution to Approve the 2021-22 School District Calendar

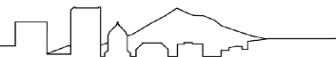
RESOLUTION

The Board of Education hereby adopts to the 2021-22 School District Calendar.



PORTLAND PUBLIC SCHOOLS

2021-22 District Calendar (subject to possible revision)



JULY 2021					AUGUST 2021					SEPTEMBER 2021				
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					30 📅	31 📅								

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JANUARY 2022					FEBRUARY 2022					MARCH 2022				
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31														

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					30	31								

	Schools closed due to holiday or break period	☼	High school transfer deadline
★	First/last day of school for students: 1st Grade Ramp Up Sep. 1-2	◆	End of quarter
+	Day/evening conferences (no school for students)	📅	Teacher Professional Development/planning day (no school for students)
▲	Statewide inservice (no school for students)	☼	Possible snow make-up day
♥	Kindergarten first day: Kindergarten Ramp Up Sep1 - Sep 7	♥	Pre-Kindergarten/Head Start first day
↗	Mid-Term Progress Reports	*	Staff Meetings
📅	New Educator Orientation	📅 *	Professional Development Day for CSI, Title, Kellogg, and Feeders on Aug 25. Kellogg MS to have PD Days on Aug. 24-25 (no school for students)

RESOLUTION No. 6295

Service Employees International Union and School District No. 1J, Multnomah County, Oregon, Impact Bargaining Letter of Agreement

RECITALS

- A. Portland Public Schools and Service Employees International Union Local 503 have been bargaining the impact of working conditions during hybrid instruction. Those negotiations led to agreements on topics related to health and safety, meal distribution, and a child care stipend.
- B. Since the outset of the COVID-19 pandemic in our community, PPS Nutrition Services workers have played a vital role in supporting our students. They have served over 3.5 million meals since the beginning of the COVID-19 pandemic.
- C. Throughout this time, PPS had safety protocols and policies in place to protect the safety of Nutrition Services workers and meet the needs of our community. In recognition and appreciation for the dedication and work by our Nutrition Services workers in the midst of a pandemic, and acknowledging the central role Nutrition Services workers play in healthy, safe school environments, the parties have agreed to a pandemic recognition payment to eligible employees who staffed meal distribution sites.

RESOLUTION

The Superintendent is authorized and directed to execute the impact bargaining Letter of Agreement between the Service Employees International Union and School District No. 1J, Multnomah County, Oregon, as provided to the Board of Education and filed in the record of this meeting.

RESOLUTION No. 6297

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 Administrator, Funding Source
Computer Technology Link Corp (CTL)	5/12/21 through 5/12/26	Materials Requirement MR 90047	Purchase of Chromebooks. Invitation to Bid 2021-2949	\$23,245,000	C. Hertz Fund 458 Dept. 5581 Project DT001
2KG Contractors, Inc.	5/12/21 through 10/15/21	Construction C 90038	Benson HS Modernization – Kenton Swing Site improvements Invitation to Bid – Construction 2021-2948	\$973,200	C. Hertz Fund 457 Dept. 3115 Project DA005
Tecta America Corp (dba ABC Roofing)	5/12/21 through 5/11/24	Flexible Services Contractor Pool FSCP 89792	Flexible Services Contractor Pool – Roofing Request for Proposals 2020- 2849	\$3,000,000	C. Hertz Funding Source Varies
PDX Yellow Cab Co.	5/12/21 through 6/30/26	Services S 90041	Provide specialized transportation services to students who are unable to be served by a school bus as determined by their IEP. Special Class Procurement – Secure and Specialized Transportation PPS-47-0288(20)	\$500,000	C. Hertz Fund 101 Dept. 5560
STA of Oregon	7/1/22 through 6/30/28 Option to renew for up to two additional two- year terms through 6/30/32	Services S 90074	Provide student transportation services for schools and programs west of the Willamette River and for Sellwood and Woodstock regions east of the Willamette River. Request for Proposals 2020- 2903	\$71,000,000 (\$127,000,000 through all renewals)	C. Hertz Fund 101 Dept. 5560
University of Virginia Darden School Foundation	7/1/21 through 6/30/22	Personal Services PS 90025	Provide executive education and tailored support to PPS building leaders. Informal Request for Proposals	\$248,500	K. Cuellar Fund 205 Dept. 5407 Grant G2004

NEW COOPERATIVE PURCHASING AGREEMENTS

Contractor	Contract Term, Renewal Options	Administering Contracting Agency	Description of Goods or Services	Estimated Spend During Contract Term	Responsible Administrator, Funding Source
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W.W. Grainger Inc.	5/12/21 through 6/30/23	State of Oregon COA 90044	Maintenance, repair, operation supplies, equipment, and industrial products on an as-needed basis for use by the Office of School Modernization.	\$3,000,000	C. Hertz Funding Source Varies
Roadrunner Home Bake, Inc.	5/12/21 through 6/30/22 May be renewed for up to four additional one-year terms through 6/30/26	Oregon Department of Education COA 90028	Process USDA cheese into end product for Child Nutrition Program	\$310,000 (\$1,550,000 through all renewals)	C. Hertz Fund 202

NEW INTERGOVERNMENTAL AGREEMENTS (“IGAs”)

No New IGAs

AMENDMENTS TO EXISTING CONTRACTS

Contractor	Contract Term	Contract Type	Description of Services	Amendment Amount, Contract Amount	Responsible Administrator, Funding Source
Tigard Music	5/24/18 through 5/24/23	Materials Requirement MR 66356 Amendment 4	Purchase of musical instruments. Extend contract for final two years of maximum five year term. Invitation to Bid 2018-2442	\$1,850,000 \$2,303,603	C. Hertz Fund 101 Dept. 5463



**PORTLAND PUBLIC SCHOOLS
OFFICE OF SCHOOL MODERNIZATION**

501 North Dixon Street / Portland, OR 97227
Telephone: (503) 916-2222

Date: April 23, 2021
To: Board of Education
From: Teri Brady, Director of Student Transportation
Dan Jung, COO, PPS
Subject: Student Transportation Contract

BACKGROUND

On December 4, 2020, the district issued a request for proposal (RFP) for home to school (HTS) student transportation services. The RFP outlined the intended scope of work, including all necessary facilities, equipment, buses, fuel and personnel required for students' safe and efficient transportation to and from school. Head start, field trips, outdoor school, and other transportation needs were specified. The district intended to award contracts to two separate providers, each servicing a different geographical region.

The RFP was publicly noticed and available to all proposers. A pre-proposal meeting was held on December 9, 2020.

Two qualified HTS service providers submitted proposals on February 9, 2021, STA of Oregon (STA) and First Student. The RFP evaluation team reviewed the submitted proposals and ranked each based upon the identified RFP evaluation criteria. First Student was the highest rated proposer.

In early April 2021, staff entered into negotiations with First Student to provide services for the eastern portion of the district, and STA for the western service area. Negotiations with First Student continue and staff expects to have a negotiated contract for the board's review and approval soon. Staff have completed negotiations with STA. The proposed contract and all exhibits are included in the materials for the board of education board meeting scheduled for May 11, 2021.

ANALYSIS OF SITUATION

PPS last issued an RFP for HTS in 2010. This procurement resulted in the district's current contract with First Student. It is generally considered best practice to complete transportation

services on the open market every 8 - 10 years to ensure the district receives adequate services and appropriate pricing commensurate with the marketplace.

Purchases of vehicles, staff recruitment and training, and procurement of real property are all tasks that can require significant time before a transportation company begins service. Providing too short of a timeline between RFP issuance and service start would effectively preclude any provider not currently operating in the immediate area. Staff estimated at least 12 months would be necessary to allow a new provider time to prepare adequately. For this purpose, RFP 2020-2903 was issued over 18 months in advance of the intended initial service date of July 1, 2022.

To increase service levels, including on time delivery and shorter student ride times, the RFP identified two separate regions within PPS' boundary to award separate contracts for each region. Both proposers submitted proposals for each region. Upon reviewing the proposals by the RFP selection committee, First Student was identified as the highest ranked proposer and elected to proceed into negotiations for the eastern region. Staff have completed negotiations with STA for the western region.

STA will begin providing HTS services on July 1, 2022.

FISCAL IMPACT

The proposed contract with STA is a not to exceed (NTE) contract with a total contract value of \$71 million for six years. The contract terms allow for two 2-year extensions, for a potential total contract length of 10 years.

PPS will compensate STA based on services provided each month. The cost for HTS services is effectively the number of routes driven per month multiplied by the applicable rate. The rate of each route type is fixed; however, the number of routes changes year to year, and even month to month, based on numerous variables, including calendars, ridership and Special Education placements.

Per ORS/OAR 581-023-0040, The State Transportation Grant reimburses eligible HTS transportation at 70% of expenses.

Staff estimated total service level needs over the next six years to calculate the total contract NTE amount of \$71 million. The estimated number of routes were based on 2019-20 school year estimates plus forecasted changes. Staff believes these estimates are both conservative and reasonable. The below tables illustrate how the contract total was estimated:

TABLE 1: 2022/23 PRICING ESTIMATE

2022-23 COST ESTIMATE				
SERVICE TYPE	RATE TYPE	QTY	AVE RATE	AMOUNT
ATHLETIC TRIPS	BASE RATES	650	169.12	94,331
FIELD TRIPS	BASE RATES	1022	160.83	144,087
GT	BASE RATES	59	497.41	5,052,610
	OVERTIME	59	13.16	1,621,207
	SUMMER SCHOOL	12	255.29	59,426
MONITOR	BASE RATES	10	38.34	400,270
ST	BASE RATES	33	478.89	2,709,393
	OVERTIME	33	13.16	604,518
	SUMMER SCHOOL	0	246.03	0
		1878	207.88	10,685,841

TABLE 2: TOTAL CONTRACT ESTIMATE

	YEAR	AMOUNT	30%
1	2022-23	10,563,693	3,169,108
2	2023-24	10,986,241	3,295,872
3	2024-25	11,425,691	3,427,707
4	2025-26	11,882,718	3,564,815
5	2026-27	12,358,027	3,707,408
6 *	2027-28	12,852,348	3,855,704
7	2028-29	13,366,442	4,009,933
8	2029-30	13,901,100	4,170,330
9	2030-31	14,457,144	4,337,143
10	2031-32	15,035,429	4,510,629
		126,828,832	38,048,650
* 6-Year Total		70,068,718	21,020,615

As noted above, the cost for HTS services is the number of routes driven multiplied by the applicable route rate. The submitted proposals showed competitive rate pricing between the proposers. For example, STA's base rate for Type C bus routes is approximately \$122 per hour for the school year 2022/23, and First Student's proposed rate was approximately \$123 per

hour. Of note, the 2020/21 base rate for Type C (standard big bus) is approximately \$108 per hour. Though STA and First Student proposed more than the current amount, the proposed rate projects two service years into the future, and includes all operational and capital expenses including purchase of new vehicles.

TIMELINE FOR IMPLEMENTATION / EVALUATION

STA will begin providing HTS services July 1, 2022. Procurement and development of a bus yard, purchase of vehicles and hiring requisite staff will all be necessary prior to the beginning of services. STA has informed PPS they have identified a bus yard suitable for their scope of work and have negotiated terms of a long term lease agreement with the property owner. STA has expressed the goal of approving the contract at the May 11 board meeting, therefore allowing STA to formalize the agreement with the property owner by May 15, 2021. Meeting this timeline will achieve a significant preparation milestone of procurement of a bus yard facility.

STAFF RECOMMENDATION

Staff recommends approving the STA contact as provided.

As a member of the PPS Executive Leadership Team, I have reviewed this staff report.

CH (Initials)



PORTLAND PUBLIC SCHOOLS
OFFICE OF PURCHASING & CONTRACTING

501 North Dixon Street / Portland, OR 97227
Telephone: (503) 916-3421

Date: May 5, 2021
To: School Board
From: Emily Courtnage, Director of Purchasing & Contracting
Subject: Personal Services Contracts on the 5/11/21 Business Agenda

Dear Board Members,

There is one personal service contract on the 5/11 Business Agenda:

University of Virginia Darden School Foundation (PS 90025) for \$248,500 through 6/30/22

- Contract to provide executive education and tailored support to PPS building leaders focused on strengthening organizational change and leadership practices
- Managed by Shawn Bird, Chief of Schools
- Continuation of a relationship procured by informal solicitation in 2019.
- Because this contract expends federal grant funds, federal procurement rules apply. This contract is justified under federal procurement rules requiring informal solicitation for contracts expending less than \$250,000 in federal funds.
- Under PPS public contracting rules, this contract is justified under PPS 46-0525(4) (allowing direct negotiation where the contractor possesses unique knowledge or expertise in a specialized service area).

RESOLUTION No. 6298

Portland Public Schools Board and Superintendent/Staff Expectations and Operating Protocols

RESOLUTION

The Board of Directors of Portland Public Schools approves and adopts the *Portland Public Schools Board and Superintendent/Staff Expectations and Operating Protocols* as attached in Exhibit "A".

Portland Public Schools Board and Superintendent/Staff Expectations and Operating Protocols

I. Roles and Responsibilities

As elected members of the Board of Education for Portland Public Schools, our roles and responsibilities are outlined in Board policy and statute; these expectations and protocols do not replace or override Board policies, District administrative directives, or any applicable law.

Highlights of board responsibilities include:

- A. Establishing an overarching educational vision for the district and setting actionable district goals and priorities to equitably provide the highest quality educational experience for each PPS student;
- B. Providing financial oversight and direction for the District, including reviewing and adopting a student-focused annual budget, establishing general financial goals, authorizing bonds, and exercising taxing authority;
- C. Hiring, setting goals for, and evaluating the Superintendent annually, and maintaining a mutually supportive relationship with the Superintendent in pursuit of established district goals;
- D. Focusing on policy making, goal setting, monitoring, and evaluation to further the goals and priorities of the District,
- E. Acting as an ambassador to the community, both sharing District information with the public, including working to make students and the community aware of the goals and priorities, and communicating public thought to the District.

As Board members do this work responsibly, we commit to:

- A. Utilizing the Racial Equity Lens tool in decision-making with the goal of closing the achievement and opportunity gap for Black, Native American and Students of Color.
- B. Respecting the role of the Superintendent as the chief executive officer of the District, which includes sole authority over directing employees with the exception of the employees in the Office of the Independent Performance Auditor whose work is directed by the Board of Education.
- C. Making decisions as a whole Board only at public meetings. Individual members have no authority to take stand-alone action in policy or in district and school administrative matters or to speak on behalf of the Board without express delegation of authority.
- D. Complying with Board policies, understanding our fiduciary responsibilities, and being aware that our actions at all times reflect on the integrity, reputation, and functioning of the District.
- E. Encouraging and modeling constructive public discourse in Board decision making.
- F. Honoring student voice; centering and prioritizing the voices and experiences of our students of color.

Practices of the Board of Education:

II. Priority Setting and Board and Superintendent Evaluation

- A. Student Outcomes Focused Priority Setting
 - 1. The Board will align its work with the District vision, theory of action, strategic plan, goals, and adopted budget.

2. The Board will establish, at a public meeting, goals in alignment with the District's vision and will regularly monitor the District's progress in meeting these goals.
3. Board Leadership will meet regularly with the Superintendent and key staff to evaluate past Board meetings and determine the agenda for upcoming Board meetings. The Board Leadership will solicit input from Board members.
4. Board leadership will regularly check in with the full Board regarding the Board meeting structure, progress on Board goals, and addressing Board member priorities.

B. Board Professional Development and Evaluation

1. The Board will self-assess its performance at least annually. Board leadership will regularly evaluate Board meetings and work sessions. All Board members are encouraged to provide feedback to the Board leadership to improve the Board's performance. The Board leadership will annually set expectations and priorities for Board professional development. Board leadership will annually review the Board Office budget to ensure there are sufficient funds to support the Board's professional development.

C. Superintendent's Evaluation

1. The Board will establish annual goals and metrics for the Superintendent's performance and engage in a process that provides for thoughtful and deliberative assessment of the Superintendent's work based on those goals at least annually.
2. The Board will check-in with the Superintendent quarterly to collaboratively assess progress toward achieving district goals, identify any barriers to success, and make course corrections as necessary.

III. Meetings

- A. Board members will be prepared for each meeting by reviewing materials in advance and agree to attend regularly scheduled Board meetings. Board members and board office staff will collaborate on scheduling special meetings and/or work sessions.
- B. The times allotted at board meetings for each agenda item are estimates and are to be used as a guideline by the Chair in managing the meeting; however, there are not specific end times.
- C. Board members agree to strive to start and end meetings on time.
- D. Board members agree to uphold the legal requirement for confidentiality on all matters arising from Board executive sessions and any other confidential communications or information.
- E. Board members agree to listen carefully and with courtesy when other people are speaking during Board meetings. Discussions between Board members will serve as a model for acceptable public dialogue. Members will seek to clarify issues by soliciting each other's points of view.
- F. Board members are expected to cast a vote or abstain on all matters except when a conflict of interest arises and an abstention is dictated by the ethics policy .
- G. If they miss a meeting, Board members and Leadership Team staff agree to review the video of that meeting to remain current on the Board and district's work.

IV. Communication

- A. Board members agree to communicate directly with the Superintendent and/or members of the Superintendent's Leadership Team when Board members have a substantive question, or when a significant concern about PPS operations is voiced by a staff member, student, parent, or other community member. Board members should use their best professional judgment on who to include when communicating with the Superintendent or the Superintendent's Leadership Team.

For emails or other written communications involving substantive issues, copying the Senior Board Manager optimizes communications, and Board members are encouraged to do so.

For administrative, or scheduling issues, it is acceptable to email staff without copying other parties. Board members will not direct staff work and board members should share if an information request is time sensitive, especially if it relates to an action item on a board meeting agenda, an executive session, or a public meeting in which the board is participating.

Board members need adequate time to review materials before , meetings of the board and materials should not arrive or be changed late in the process.

- B. When receiving questions from Board members, the Superintendent and staff will confirm receipt of the communication in a timely way and indicate how and when a response will be made.
- C. Board members will apply the racial equity lens tool to communications with constituents. Board members often field complaints or concerns from individuals and will actively listen and empathize with constituents. Board members may hear more from communities and individuals who already have a lot of social capital in our system. Board members should proactively engage with historically underrepresented communities/constituents to broaden their understanding of the entire system.
- D. The Board and staff should operate on a “no surprises” basis. A high level of communication between board members and senior staff is appropriate, desired, and beneficial.
- E. Board members are requested to communicate directly with the Board Chair(s) or Board Vice Chair(s) when concerns arise about other Board members. If there are concerns about District staff, board members should address that with the Superintendent and Board leadership. When disagreeing with other Board members, Board members and staff should maintain a respectful dialogue in their communications. Board members retain the right to express individual opinions in a variety of settings, and when doing so, will clearly state that the opinion is theirs and not that of the Board unless they are speaking of action that the Board has already taken.
- F. Specific personnel complaints submitted to the Board or individual Board members shall be referred to the Superintendent or designee.
- G. From time to time, the Board may be required to make findings of fact that can be appealed to another government agency (e.g., personnel matters or charter school application hearings). In these situations, no Board member will discuss the substance of the matter with any person(s) directly involved in the issue, other than PPS staff, outside the formal hearing and deliberation process.

V. Requests for Information or Decision making

A. Information Requests of Staff

1. When a Board member has an information request of staff (but does not require any particular decision to be made), the Board member should feel free to communicate their request to any member of the Superintendent’s Leadership team and the Senior Board Manager and use their best professional judgment on who else to copy on communications, respecting the administrative chain of command. If the information request is unrelated to a future Board action or decision, the timing of the fulfillment is at the discretion of the Superintendent and should not interfere with other staff work. The Superintendent may discuss time consuming requests with the requesting board member to understand the request and then discuss with the board chair to determine if the request, given the resulting resource expenditure, will assist the decision-making of the majority of the board.
2. Board members will share information they receive with other board members. Staff are encouraged to include the entire board when replying to board questions or requests for substantive information.

3. If staff is unable to answer a question that comes up during Board discussion, the Board office will note the question and provide follow up to the Board.

B. Providing Documents to Board for Review in Advance of Meetings.

1. The Board Chair and Vice-Chair(s) in consultation with the Superintendent will establish the agenda and major business agenda items for full Board meetings approximately 10 days prior to the Board meeting.
2. Notes from agenda setting meetings will be sent out to the entire Board by the Board office. Board agendas are made up of action and discussion items, with reports from the Student Representative and Superintendent.
3. The majority of items that require Board action will be first reviewed in a Board Committee meeting, an executive session, or a Board meeting.
4. Staff and the Superintendent will have the Board Book, and any supporting documentation, available at least four days prior to Board meetings except under extenuating circumstances.
5. If a PowerPoint presentation will be given by staff during a Board meeting, it will be included in the Board packet as well, with the understanding that there may be changes at the final Board presentation and any changes will be noted for the Board. Copies of final materials and presentations will be posted as part of the meeting materials.
6. For contracts listed in the Business Consent Agenda, staff will provide memos for each Personal Services Contract and the actual contract will be available electronically to Board Members as requested. Memos and contracts will be posted as part of the meeting materials.

VI. Committee Protocols

- A. At the beginning of each academic year, the full Board determines the committee structure. Board leadership appoints Board members to create the membership and leadership of each committee. Committees represent the full Board and are intended to provide a mechanism for deeper monitoring and analysis of complicated issues. Committees are expected to keep the full Board apprised of important issues under their purview and produce recommendations for action to be considered for adoption.
- B. The annual agenda and meeting agendas for Committee and Task Force meetings are co-developed by the Committee Chair and staff lead[s]. Committee meeting materials will be provided at least 48 hours in advance of the meeting. Absent extenuating circumstances, committee meetings will be publicly noticed 48 hours ahead of time and agendas will be posted prior to the meeting.
- C. Recommendations coming from a Committee should be referenced in staff or committee chair reports for discussion items and resolutions for action items before the full Board.
- D. The Committee Chair will review all minutes before they are sent to the rest of the Committee and posted on the Committee web page.
- E. All Committee meetings will be audio recorded for record keeping purposes and are available upon request, excluding executive sessions.

RESOLUTION No. 6298

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- C. Hiring, setting goals for, and evaluating the Superintendent annually, and maintaining a mutually supportive relationship with the Superintendent in pursuit of established district goals;
- D. Focusing on policy making, goal setting, monitoring, and evaluation to further the goals and priorities of the District,
- E. Acting as an ambassador to the community, both sharing District information with the public, including working to make students and the community aware of the goals and priorities, and communicating public thought to the District.

As Board members do this work responsibly, we commit to:

- A. Utilizing the Racial Equity Lens tool in decision-making with the goal of closing the achievement and opportunity gap for Black, Native American and Students of Color. our students of color and historically underserved students.
- B. Respecting the role of the Superintendent as the chief executive officer manager of the District, which includes sole authority over directing employees in District and school matters.
- C. Making decisions as a whole Board only at public meetings. Individual members have no authority to take stand-alone action in policy or in district and school administrative matters or to speak on behalf of the Board without express delegation of authority.
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C. Superintendent's Evaluation

1. The Board will establish annual goals and metrics for the Superintendent's performance and engage in a process that provides for thoughtful and deliberative assessment of the Superintendent's work based on those goals at least annually.
2. The Board will check-in with the Superintendent quarterly to collaboratively assess progress toward achieving district goals, identify any barriers to success, and make course corrections as necessary.

III. Meetings

- A. Board members will be prepared for each meeting by reviewing materials in advance and agree to attend regularly scheduled Board meetings unless a situation occurs that makes attendance impossible. Board members and board office staff will collaborate on scheduling special meetings and/or work sessions.
- B. The times allotted at board meetings for each agenda item are estimates and are to be used as a guideline by the Chair in managing the meeting; however, there are not specific end times.
- C. Board members agree to strive to start and end meetings on time.
- D. Board members agree to uphold the legal requirement for confidentiality on all matters arising from Board executive sessions and any other confidential communications or information.
- E. Board members agree to listen carefully and with courtesy when other people are speaking during Board meetings. Discussions between Board members will serve as a model for acceptable public dialogue. Members will seek to clarify issues by soliciting each other's points of view.
- F. Board members are expected to cast a vote or abstain on all matters except when a conflict of interest arises and an abstention is dictated by the ethics policy .

- G. If they miss a meeting, Board members and Leadership Team staff agree to review the video of that meeting to remain current on the Board and district's work.

IV. Communication

- A. Board members agree to communicate directly with the Superintendent and/or members of the Superintendent's Leadership Team when Board members have a substantive question, or when a significant concern about PPS operations is voiced by a staff member, student, parent, or other community member. Board members should use their best professional judgment on who to include when communicating with the Superintendent or the Superintendent's Leadership Team. For emails or other written communications involving substantive issues, copying the Senior Board Manager optimizes communications, and Board members are encouraged to do so.

For administrative, or scheduling issues, it is acceptable to email staff without copying other parties. Board members will not direct staff work and board members should share if an information request is time sensitive, especially if it relates to an action item on a board meeting agenda, an executive session, or a public meeting in which the board is participating.

Board members need adequate time to review materials before a board meeting, work session, or executive session, meetings of the board and materials should not arrive or be changed late in the process.

- B. When receiving questions from Board members, the Superintendent and staff will confirm receipt of the communication within 3 business days and indicate how and when a response will be made.
- C. Board members will apply the racial equity lens tool to communications with constituents. Board members often field complaints or concerns from individuals and will actively listen and empathize with constituents. Board members may hear more from communities and individuals who already have a lot of social capital in our system. Board members should proactively engage with historically underrepresented communities/constituents to broaden their understanding of the entire system.
- D. The Board and staff should operate on a "no surprises" basis. A high level of communication between board members and senior staff is appropriate, desired, and beneficial.
- E. Board members are requested to communicate directly with the Board Chair(s) or Board Vice Chair(s) when concerns arise about other Board members. If there are concerns about District staff, board members should address that with the Superintendent and Board leadership. When disagreeing with other Board members, Board members and staff should maintain a respectful dialogue in their communications. Board members retain the right to express individual opinions in a variety of settings, and when doing so, will clearly state that the opinion is theirs and not that of the Board unless they are speaking of action that the Board has already taken.
- F. Specific personnel complaints submitted to the Board or individual Board members should shall be referred to the Superintendent or designee.
- G. From time to time, the Board may be required to make findings of fact that can be appealed to another government agency (e.g., personnel matters or charter school application hearings). In these situations, no Board member will discuss the substance of the matter with any person(s) directly involved in the issue, other than PPS staff, outside the formal hearing and deliberation process.

V. Requests for Information or Decision making

A. Information Requests of Staff

1. When a Board member has an information request of staff (but does not require any particular decision to be made), the Board member should feel free to communicate their request to any member of the Superintendent's Leadership team and the Senior Board Manager and use their best professional judgment on who else to copy on communications, respecting the administrative chain of command. If the information

request is unrelated to a future Board action or decision, the timing of the fulfillment is at the discretion of the Superintendent and should not interfere with other staff work. The Superintendent may discuss time consuming requests with the requesting board member to understand the request and then discuss with the board chair to determine if the request, given and the resulting resource expenditure, is the will assist the decision-making of the majority of the board.

2. Board members will share information they receive with other board members. Staff are encouraged to include the entire board when replying to board questions or requests for substantive information.
 3. If staff is unable to answer a question that comes up during Board discussion, the Board office will note the question and provide follow up to the Board.
- B. Providing Documents to Board for Review in Advance of Meetings.
1. The Board Chair and Vice-Chair(s) in consultation with the Superintendent will establish the agenda and major business agenda items for full Board meetings approximately 10 days prior to the Board meeting.
 2. Notes from agenda setting meetings will be sent out to the entire Board by the Board office. Board agendas are made up of action and discussion items, with reports from the Student Representative and Superintendent.
 3. The majority of items that require Board action will be first reviewed in a Board Committee meeting, an executive session, or a Board meeting.
 4. Staff and the Superintendent will have the Board Book, and any supporting documentation, available at least four days prior to Board meetings except under extenuating circumstances.
 5. If a PowerPoint presentation will be given by staff during a Board meeting, it will be included in the Board packet as well, with the understanding that there may be changes at the final Board presentation and any changes will be noted for the Board. Copies of final materials and presentations will be posted as part of the meeting materials.
 6. For contracts listed in the Business Consent Agenda, staff will provide memos for each Personal Services Contract and the actual contract will be available electronically to Board Members as requested. Memos and contracts will be posted as part of the meeting materials.

VI. Committee Protocols

- A. At the beginning of each academic year, the full Board determines the committee structure. Board leadership appoints Board members to create the membership and leadership of each committee. Committees act on behalf of represent the full Board and are intended to provide a mechanism for deeper monitoring and analysis of complicated issues. Committees are expected to keep the full Board apprised of important issues under their purview and produce recommendations for action to be considered for adoption.
- B. The annual agenda and meeting agendas for Committee and Task Force meetings are co-developed by the Committee Chair and staff lead[s]. Committee meeting materials will be provided at least 48 hours in advance of the meeting. Absent extenuating circumstances, committee meetings will be publicly noticed 48 hours ahead of time and agendas will be posted prior to the meeting.
- C. Recommendations coming from a Committee should be referenced in staff or committee chair reports for discussion items and resolutions for action items before the full Board.

- D. The Committee Chair will review all minutes before they are sent to the rest of the Committee and posted on the Committee web page.
- E. All Committee meetings will be audio recorded for record keeping purposes and are available upon request, excluding executive sessions.

RESOLUTION No. 6299

Ethics and Conflicts of Interest Training and Compliance Statement

RESOLUTION

The Board of Directors of Portland Public Schools approves and adopts the *Ethics and Conflicts of Interest Training and Compliance Statement* as attached in Exhibit "A".

Ethics and Conflicts of Interest Training and Compliance

1. Members of the Board of Education are public officials under ORS 244.020(15) and, as such, are required to disclose actual and potential conflicts of interest. Under Oregon Revised Statute 244.020(3), a board member has an actual or potential conflict of interest when participating in an official action which would or could, respectively, result in a financial benefit or avoidance of detriment to the public official, a relative of the public official, or a business with which either is associated.
2. Public officials, including school board members and PPS employees need to follow the Oregon Ethics law, ORS 244, and observe the Oregon Government Ethics Commission's "Oregon Government Ethics Law - A Guide for Public Officials." [<https://www.oregon.gov/ogec/Pages/Guide-for-Public-Officials.aspx>]
3. Prior to voting or taking action on an issue before the Board of Education, Board members must disclose any actual or potential conflicts of interest.
4. Board members will annually engage in training related to Oregon Government Ethics, Public Meetings laws, and Public Records laws.
5. Annually Board members will sign an ethics and conflicts *of interest* statement attesting to participating in annual District-provided training relating to ORS chapter 244 and pledging to adhere to the Oregon statutory requirements and District policy on these topics.

Statement for board members to sign every July (or as soon thereafter as the training is delivered):

I have received the annual training related to ORS chapter 244 and I pledge to adhere to the Oregon statutory requirements and District policy regarding Ethics and Conflicts of Interest.

Board Director Name

Signature

Date

RESOLUTION No. 6300

Board Leadership Elections Process

RESOLUTION

The Board of Directors of Portland Public Schools approves and adopts the *Board Leadership Elections Process* as attached in Exhibit "A".

Board Leadership Elections

1. In order to be considered for a leadership position, board members (and members elect) must notify the current Board chair in writing by June 1st (for the July election) or December 1st (for the January election). The chair will reach out to members elect in May to inform them of this process.
2. At the first board meeting in June/December, the board chair will publicly confirm board members who are interested in serving in leadership. Members elect will be invited to speak at the June meeting if they have declared as leadership candidates
3. The board views the vice-chair role as a leadership development position. In order to give more board members an opportunity to get exposure to a leadership position, **the Board encourages** the vice-chair rotate every six months.
4. Co-chairs and co-vice chairs will be allowed.
5. Board leadership elections will continue to take place at the first board meetings in July and January.
6. The transition to a new board chair will happen after the board meeting when elections take place is adjourned--there will be no mid-meeting passing of the gavel.



Update to the PPS School Board

May 11, 2021



TOGETHER
WE WILL

PORTLAND PUBLIC SCHOOLS

“Let me say it clearly: it is our expectation that we will fully reopen for five days a week of in-person instruction this coming fall.

We’ve been living in a fluid and dynamic reality the last year, but unless health conditions and guidance from public health and the Department of Education officials do not yet permit it, we expect and intend to welcome all students back to school this September.”

- Guadalupe Guerrero, PPS Superintendent



TOGETHER
WE WILL

PORTLAND PUBLIC SCHOOLS

Our Guiding Principles

- Our core values, theory of action, and Vision will continue to guide all that we do.
- Our reopening and embracing continuous improvement is reflected in our relentless pursuit of racial equity and social justice.
- We will also be guided by these three principles as the foundation of our reopening work:
 - Ensure health & wellness for staff and students
 - Strengthen & innovate teaching and learning
 - Build deeper connections and relationships.



TOGETHER
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PORTLAND PUBLIC SCHOOLS

Tonight's Topics

- Variables Shaping Fall 2021
- Latest COVID-19 Metrics
- COVID-19 Vaccinations
- Latest on State and Federal Guidelines
- Space Considerations
- Other Variables Under Consideration
- Our Commitment to Our Community



TOGETHER
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PORTLAND PUBLIC SCHOOLS

Variables Shaping Fall 2021

We've been living in a fluid and dynamic reality the last year. Even though there is significant progress in the fight against COVID-19, we will need to consider these and other variables:

- COVID-19 Variants // COVID-19 Cases
- Vaccinations // Access + Hesitancy
- Evolving Public Health & Fed/State Guidance

What will remain constant is our continued pursuit of racial equity and social justice. We will remain committed to the health and safety of our students and staff. We will partner with our community-based partners, public health experts, labor partners, and the business community to create the conditions for our schools to open fully in Fall 2021.

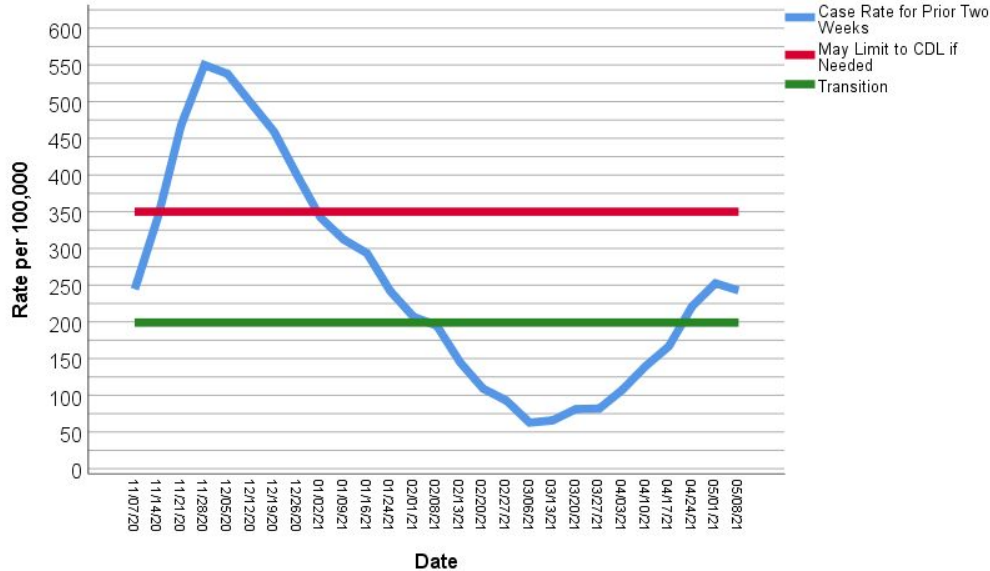


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COVID-19 Metrics

Multnomah County Case Rate for Prior 2 Weeks



242.8

Cases per 100,000
March 28-May 10, 2021
in Multnomah County
(ODE/OHA Weekly Update)



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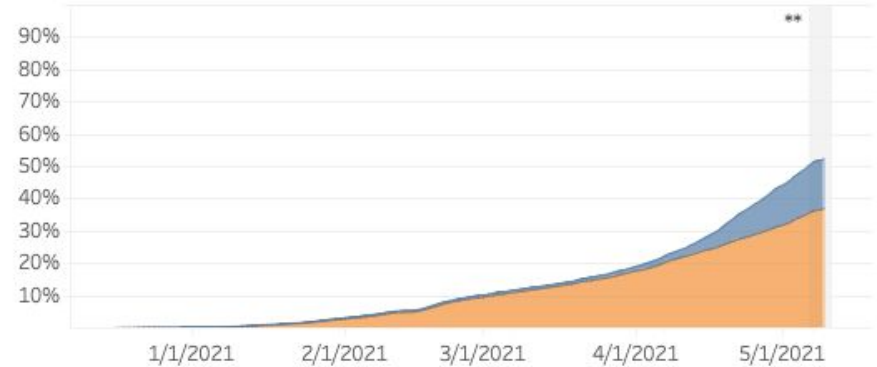
COVID-19 Vaccinations

- All Oregonians age 16 and older eligible to receive COVID-19 vaccine.
- 52.3% of people in Multnomah County are vaccinated against COVID-19. (15.5% still need 2nd dose; 36.8% received 2 shots)
- On May 10, the US Food & Drug Administration authorized COVID-19 vaccine distribution for use in children ages 12 to 15. The CDC will need to affirm FDA's recommendation, which could happen as early as Wednesday, 5/11.
- PPS will continue to partner with public health officials, labor partners and community-based organizations to help in our collective effort to get people vaccinated:

	% Population Vaccinated	% Population In Progress	% Population Series Complete
Statewide	46.5%	12.1%	34.4%
Multnomah	52.3%	15.5%	36.8%

52.3% of people in Multnomah County are vaccinated

15.5% are in progress while 36.8% have completed the series people



VACCINES WORK. Safe & effective COVID-19 vaccines are now available.

COVID-19 Vaccine Clinic
Oregon Convention Center
WEDNESDAY, MAY 12
9AM - 1PM

All students age 16+ and their family members are eligible to receive a free vaccine. Shots are available. Visit the PPS website for more information.

PPS.NET/COVID-19VACCINATION

Data current as of 12:01 am 5/10/2021.



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State & Federal Guidelines

- Superintendent Guerrero and PPS Senior Leadership continue to engage with public health and state officials to revise the “Ready Schools, Safe Learners” guidance, which is expected to be released on July 19, 2021, 44 days before the first day of school.
- We anticipate these guidelines providing Oregon school districts updates on:
 - Continued Use of School Metrics
 - Health and Safety Requirements
 - In Schools, Classrooms, Transportation, Athletics, etc.
 - Distance Learning Requirements
 - Instructional Times



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PORTLAND PUBLIC SCHOOLS

Space Considerations

- Using current CDC and RSSL guidelines, we have started to do preliminary analysis on a possible social distance requirement of 3 feet.
- Early data suggest that an overwhelming majority of our classrooms will be able to accommodate full student enrollment with 3-foot distancing.
- We anticipate physical changes may be necessary, including purchase of new fixtures, furniture and equipment; educators relocating rooms; repurposing non-traditional classroom spaces, etc.
- We are building on this preliminary analysis to determine school specific impacts, including but not limited to the impact on communal spaces (cafeteria, library, etc.), transportation, etc.



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PORTLAND PUBLIC SCHOOLS

Other Considerations

We hope and expect Fall 2021 to be more like a traditional school opening. Our central office teams and school leaders are making plans for:

- Staffing
- Transportation
- Teaching and Learning
- Nutrition
- Building Maintenance
- Community Partnerships
- Distance Learning

As part of our regular updates to the School Board, we will frame our updates by attempting to answer these questions:

- What do we know now? and
- What don't we know, and when will we know more?



TOGETHER
WE WILL

PORTLAND PUBLIC SCHOOLS

Our Commitment

- We will work closely with the School Board, Labor Partners and Community-Based Organizations to create the conditions that will allow for a return to full-time, five days a week in-person instruction for 2021-2022.
- We will adhere to federal and state guidance and create path that appropriately mitigates transmission of COVID-19.
- We plan to provide a comprehensive virtual learning option for those students and families who are unwilling or unable to return to in-person learning in the Fall.
- We will continue to work with public health officials and community partners to educate students and families about vaccine safety and to improve distribution systems, including the potential of using school as vaccinations sites.
- We will provide regular updates to the School Board and community as we learn more and plan for Fall 2021.





TOGETHER
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PORTLAND PUBLIC SCHOOLS

RESOLUTION No. XXXX

Resolution to Prepare for Full-Time Reopening of In-Person Learning for the 2021-22 School Year

RECITALS

- A. On April 13, 2021, Superintendent Guadalupe Guerrero stated that the District expects to fully reopen for five days a week of in-person instruction when the new school year starts on September 1, 2021.
- B. Throughout the Covid-19 pandemic, Portland Public School's decisions have been guided by public health and emergent science, and PPS will continue to follow public health guidelines.
- C. This spring PPS brought K-12 students back to the classroom in a hybrid educational model, with in-person learning opportunities for students and families who felt comfortable returning to the classroom, while retaining a robust comprehensive virtual learning option for those students and families choosing to remain in remote learning.
- D. The ability to reopen our schools safely was the result of months of work and preparation by staff to welcome back students and staff to our buildings as safely as possible, including implementing numerous health and safety, operational, and instructional practices and protocols, while adjusting to new information about Covid-19 and how it is spread.
- E. In addition, throughout the pandemic PPS educators have made extraordinary efforts to provide a high level of instruction during truly unprecedented circumstances. From quickly pivoting to online learning during spring 2020, to preparing and executing on a fully remote learning option, to re-engaging with our students in a hybrid model, PPS educators have shown their agility, professionalism, and deep commitment to our students.
- F. Given that many students will remain unvaccinated at the start of the 2021-22 school year, and that masking and social distancing may still be required by the Oregon Health Authority and Oregon Department of Education, it is likely that PPS will need to prepare for a variety of scenarios to achieve full-time, five days a week of in-person instruction.
- G. PPS buildings are, on average, 80 years old and often more limited in space, making it harder to implement all of the current Ready Schools Safe Learners (RSSL) guidelines. If certain safety measures are still in place this fall, PPS may need to look for creative ways to accommodate students who wish to return full-time including finding additional space or considering indoor/outdoor learning environments in order to return to five days a week of in-person instruction.

RESOLVED

- 1. The Portland Public School Board commits to partnering with the Superintendent to find the solutions that will allow for a return to full-time, five days a week in-person instruction starting the first day of the 2021-22 school year.
- 2. The PPS Board's top priority is to safely reopen, and understands that the district must also adhere to federal and state guidelines and take other appropriate steps to mitigate transmission of Covid-19 among teachers, staff, administrators, and students.
- 3. Given uncertainty around the prevalence of Covid-19 in late summer, the Board directs the Superintendent to develop a comprehensive plan for returning to in-person schooling that transitions all students back to full-time in-person learning in a safe and equitable manner. The Superintendent will regularly update the Board on the status of reopening, with the understanding that the State of Oregon may not issue official guidance until July 2021.

4. Regardless of the conditions for returning in the fall to in-person learning, the PPS Board directs the Superintendent to plan to provide a comprehensive virtual learning option for those students and families who are unwilling or unable to return to in-person learning for health reasons. The district will provide a virtual learning option at least until Covid-19 vaccines are widely accessible to school-aged children.
5. To facilitate the accessibility and uptake of vaccines, especially in the most impacted communities of color, the PPS Board directs the Superintendent to continue working with the Oregon Health Authority, Multnomah County, Multnomah Education Service District, and our community partners to educate students and families about vaccine safety and to improve distribution systems, including the potential use of schools as vaccination sites.
6. Further, in recognition of the significant impact that educational disruptions have on student academic, social, and emotional well-being, the PPS Board encourages the Governor, Oregon Health Authority, and Oregon Department of Education to revise the Ready Schools Safe Learners (RSSL) guidelines as soon as possible to reflect the current state of knowledge about disease transmission; adjust to progress in vaccine uptake; and accommodate the complexity of planning and implementation in large, urban districts.

Presentation on Pension Obligation Bonds

May 2021

**Carol Samuels, Managing Director
Piper Sandler**

Pension Bonds (POBs) may help reduce pension costs

- Concept is to borrow at low interest rates and send funds to PERS; if returns exceed borrowing rate, jurisdictions save.
- Bond funds are deposited into Side Accounts (SAs) and invested with the rest of the PERS fund. Earnings/losses credited directly to SA.
- SAs are drawn down and provide 'rate credit' over 20 years from the date of the last valuation.
- Under federal tax law, POBs must be sold on taxable basis, so borrowing rates are higher than on capital borrowings.

PPS has had strong success in the past with POBs

Pension Bonds Issued	Dated Date	Amount Issued	TIC
Series 2002	10/31/02	\$ 210,103,857	5.60%
Less Amount Refunded		(14,000,000)	
Series 2003	4/21/03	281,170,040	5.73%
Series 2012 Refunding	1/31/12	14,400,000	2.87%
Total Amount Issued		\$ 491,673,897	

CALENDAR Year	Pro Forma Balance January 1	Admin. Expense	Rate Credits	Bond Proceed Deposits	Investment Earnings (\$)	Investment Returns (%)	Pro Forma Balance December 31	Calendar Year Debt Service	Pension Bond Savings	PV Savings	PV Savings as Percent of Par
2004	\$ 581,599,915	\$ (2,000)	\$ (26,188,808)	\$ -	\$ 81,075,029	13.3%	\$ 636,484,136	\$ 18,088,323	\$ 8,100,486	\$ 8,100,486	
2005	636,484,136	(2,000)	(33,249,605)	-	84,143,203	13.7%	687,375,734	18,643,323	14,606,283	13,832,105	
2006	687,375,734	(2,000)	(42,341,422)	-	107,368,090	15.5%	752,400,402	24,608,323	17,733,100	15,903,102	
2007	752,400,402	(2,000)	(42,039,424)	-	75,827,752	9.5%	786,186,730	25,408,323	16,631,102	14,124,296	
2008	786,186,729	(2,000)	(51,544,798)	-	(203,230,835)	(27.2%)	531,409,096	27,603,323	23,941,476	19,255,078	
2009	531,409,097	(2,000)	(38,868,222)	-	95,661,656	19.1%	588,200,531	28,468,323	10,399,900	7,920,856	
2010	588,200,531	(2,000)	(51,189,761)	-	69,572,282	12.4%	606,581,052	30,873,323	20,316,439	14,653,425	
2011	606,581,051	(2,000)	(45,753,755)	-	15,863,183	2.2%	576,688,479	31,813,323	13,940,433	9,521,742	
2012	576,688,479	(2,000)	(47,272,658)	-	81,405,038	14.3%	610,818,859	34,266,323	13,006,336	8,412,861	
2013	610,818,860	(2,000)	(48,097,208)	-	93,800,185	15.6%	656,519,837	35,834,323	12,262,886	7,511,558	
2014	656,519,837	(2,000)	(49,807,755)	-	47,093,834	7.2%	653,803,916	38,134,323	11,673,433	6,771,494	
2015	653,803,916	(2,000)	(58,735,664)	-	13,609,514	1.9%	608,675,766	39,799,323	18,936,342	10,402,330	
2016	608,675,766	(2,000)	(61,949,774)	-	41,440,148	6.9%	588,164,140	42,314,323	19,635,452	10,214,663	
2017	588,164,140	(1,000)	(68,321,339)	-	87,083,355	15.3%	606,925,156	44,134,323	24,187,017	11,915,548	
2018	606,925,156	(1,000)	(72,444,106)	-	3,608,267	0.4%	538,088,317	46,874,323	25,569,784	11,929,092	
2019	538,088,317	(1,000)	(80,923,268)	-	68,675,124	13.6%	525,839,173	48,854,323	32,068,946	14,168,165	
Subtotal (Actual)									\$ 283,009,407	\$ 184,636,802	37.55%

Portland SD – Projected Rate Credits and Savings

FISCAL Year	Pro Forma Balance July 1	Admin. Expense	Rate Credits	Bond Proceed Deposits	Investment Earnings (\$)	Investment Returns (%)	Pro Forma Balance June 30	Fiscal Year Debt Service	Pension Bond Savings	PV Savings	PV Savings as Percent of Par
2020	\$ 531,963,745	\$ (500)	\$ (37,269,105)	\$ -	\$ 11,713,141	7.20%	\$ 506,407,781	\$ 25,929,661	\$ 11,339,444	\$ 4,744,269	
2021	506,407,781	(1,000)	(76,489,229)	-	33,525,686	7.20%	463,444,237	54,414,323	22,074,907	8,746,313	
2022	463,444,237	(1,000)	(80,564,345)	-	30,275,907	7.20%	413,155,799	57,698,323	22,866,023	8,579,567	
2023	413,155,799	(1,000)	(83,384,098)	-	26,546,916	7.20%	356,318,618	60,042,003	23,342,095	8,293,983	
2024	356,318,618	(1,000)	(86,842,030)	-	22,321,923	7.20%	291,798,510	63,716,822	23,125,208	7,781,397	
2025	291,798,510	(1,000)	(89,881,501)	-	17,559,820	7.20%	219,476,829	66,269,834	23,611,667	7,523,972	
2026	219,476,829	(1,000)	(93,027,354)	-	12,231,920	7.20%	138,681,395	70,471,269	22,556,085	6,806,641	
2027	138,681,395	(1,000)	(96,283,311)	-	6,289,684	7.20%	48,687,768	73,254,542	23,028,769	6,580,947	
2028	48,687,768	(1,000)	(49,398,098)	-	710,330	7.20%	-	35,132,281	14,265,817	3,860,672	
Subtotal (Projected)									186,210,015	62,917,759	
Total (Actual + Projected)									\$ 469,219,422	\$ 247,554,561	50.35%

Source: Oregon Public Employees Retirement System – System Actuarial Valuation Reports and Employer Actuarial Valuation Reports. Information for calendar years 2003 and prior was not readily available.

Note: Because PERS changes rates on a fiscal year basis, projected rate credits and savings are projected to match that timing.

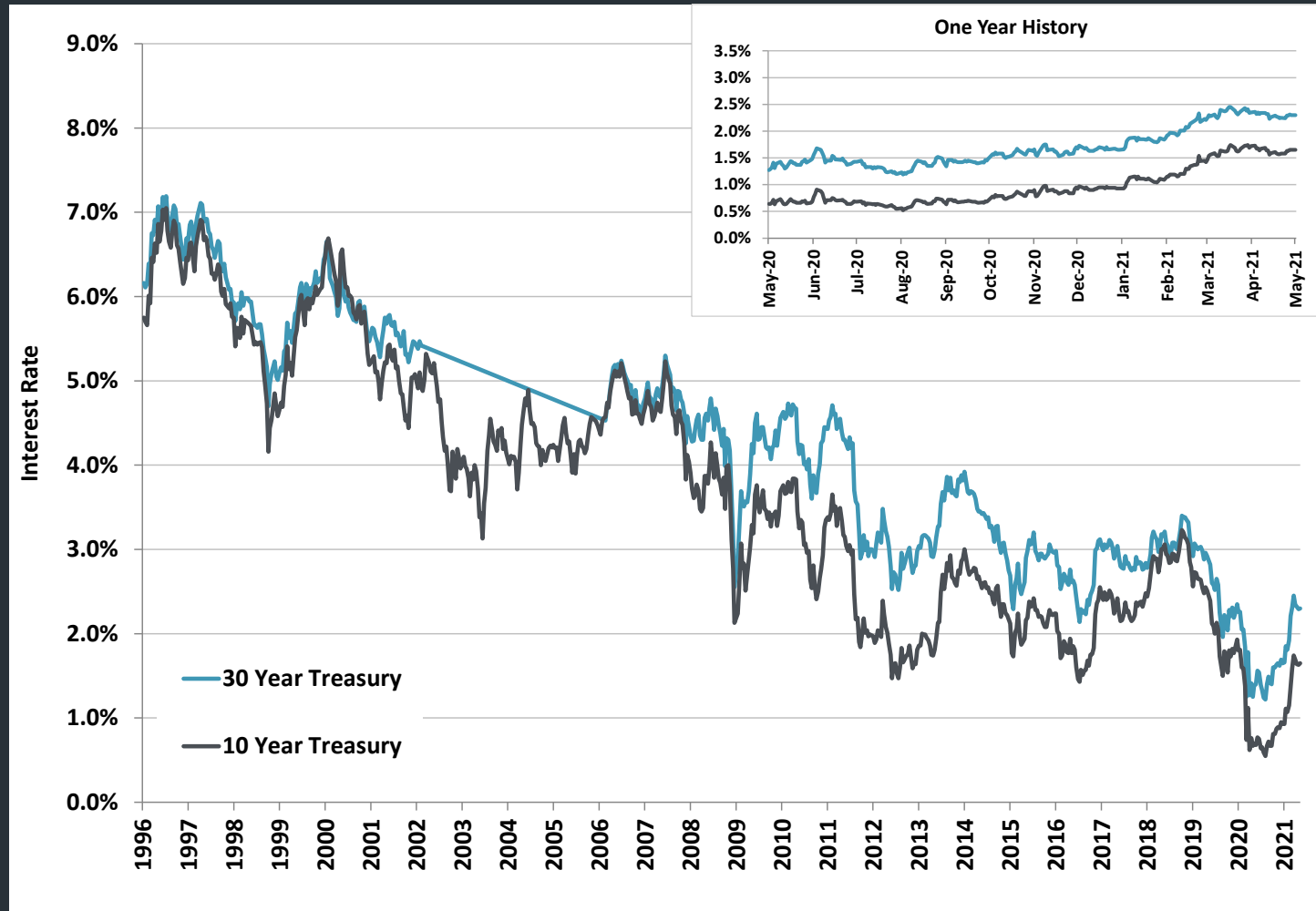
(1) Payroll growth projected at 3.50% annually, as assumed by PERS in its actuarial models. Actual payroll growth may differ from the assumption, and any changes in payroll growth rates from the assumption will affect the actual savings or costs realized.

(2) Investment returns projected at 7.20% annually, as assumed by PERS in its actuarial models. Actual rates of return may differ from the assumption, and any changes in investment earnings will affect the actual savings or costs realized.

Now may be a good time to borrow again

Interest rates are at historic lows

10 Year Treasury Rates vs. 30 Year Treasury Rates



We are currently projecting borrowing rates of 3.50%.

Note: The 30 year treasury was not published between 2002 and 2006.

POBs are an arbitrage play!

Issuing a POB is not like refinancing your mortgage...

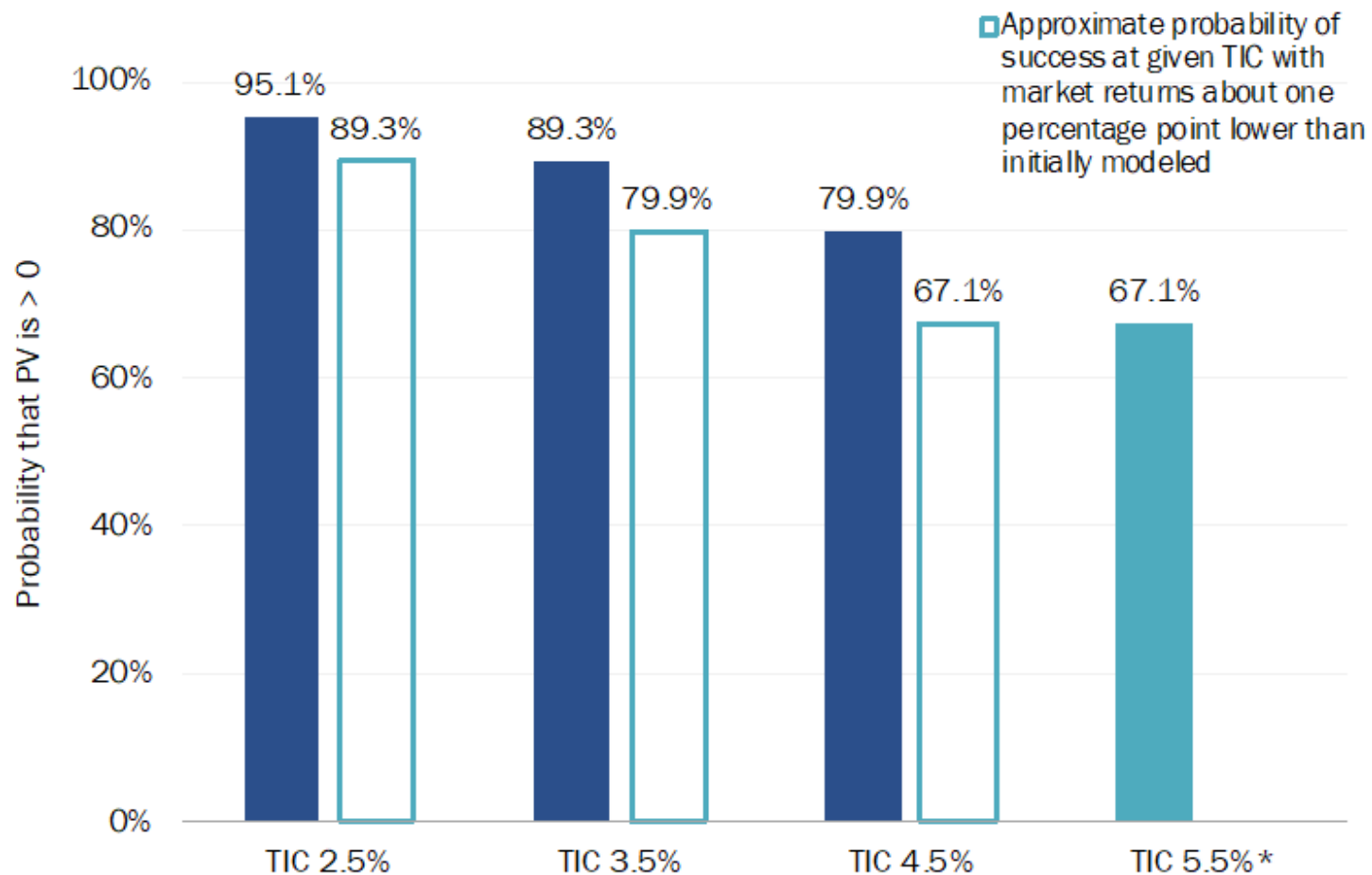
Success from borrowing largely depends on the market returning more than the cost of the bond.

- If returns $>$ borrowing rate, borrowers should expect to have lower pension costs than they would otherwise be.
- If returns = borrowing rate, borrowers should expect to break even.
- If returns $<$ borrowing rate, borrowers would be worse off than if they had not issued the bonds.

District participated in contract with ECONorthwest to conduct an assessment of probability of success in January, updated in April.

Probability of Positive PV

*The fourth TIC of 5.5% was added to our analysis to help evaluate the potential risk associated with less-favorable future market conditions relative to those anticipated in our original report. For example, the 5.5% TIC scenario provides output that is roughly analogous to a 4.5% TIC bond issue with market returns approximately one percentage point below those anticipated in our original analysis. The 4.5% TIC scenario can be similarly compared to the 3.5% TIC scenario output, and so on.



Portland SD – New Bond Analysis Summary

Scenario:	1	2	3
	Base Case: 7.20% Earnings	Assume actual earnings from 2002- 2019, then 7.20% for remainder	Assume actual earnings from 2007- 2019, then 7.20% for remainder
T1/T2 UAL Payoff	\$ 802,465,624	\$ 802,465,624	\$ 802,465,624
OPSRP UAL Payoff	60,858,770	60,858,770	60,858,770
Less: Existing Side Account	(470,057,550)	(470,057,550)	(470,057,550)
Total Payoff (projected as of 8/1/2021)	\$ 393,266,844	\$ 393,266,844	\$ 393,266,844
Years where Net Rate Credit is negative	0	0	2
Years where Net Rate Credit is positive	19	19	17
T1/T2/OPSRP Average Rate Credit	7.12%	8.29%	6.08%
Debt Cost (%)	5.40%	5.40%	5.40%
Net Savings (%)	1.71%	2.88%	0.67%
T1/T2/OPSRP UAL Payoff Savings (in millions)	\$179.0	\$306.7	\$71.2
PV Savings (in millions)	\$125.7	\$211.4	\$49.4
PV Savings %	31.96%	53.76%	12.56%

Assumes bonds sold at a TIC of **3.50%**, leading to significantly better results than District C (5.67% TIC) even with 2007 performance.

Financing timeline

- **May 11: Board Considers Resolution**
- **April-June: Development of Disclosure Document, Rating**
- **Wk of May 24th: Due diligence and rating calls**
- **June 30: Bond Sale**
- **July 15: Closing, funds sent to PERS**
- **August 1: Payroll rates reduced.**

Questions



Contacts

PIPER | SANDLER

Realize the power of partnership.

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RESOLUTION No. 6301

Resolution Authorizing Pension Bonds and Related Matters

RECITALS

- A. Portland Public Schools, Multnomah County, Oregon also known as Multnomah County School District 1J (“PPS” or the “District”) is authorized by Oregon Revised Statutes (“ORS”) 238.692 to 238.698 to issue revenue bonds pursuant to ORS Chapter 287A to finance its pension liability as defined in ORS 238.692(1); and
- B. The District previously issued its Limited Tax Pension Bond, Series 2002, Limited Tax Pension Bond, Series 2003, and Limited Tax Pension Refunding Bond, Series 2012 (collectively, the “Prior Pension Bonds”) to finance and refinance a portion of the District’s share of the estimated unfunded pension liability at that time; and
- C. In connection with the Prior Pension Bonds, the District entered into an intercept agreement (the “Intercept Agreement”) with the State of Oregon Department of Education (“ODE”) in which ODE agreed to divert State funding for the District that is legally available to pay debt service on such bonds (the “State Education Revenues”) to a trustee for payment of the Prior Pension Bond debt service; and
- D. School districts and education service districts have a pooled unfunded pension liability to the Oregon Public Employees Retirement System (“OPERS”) and, based on the District’s portion of the total school district and education service district payroll, the District’s allocated portion of the unfunded pension liability (the “Pension Liability”) is estimated to be \$326,122,015 as of December 31, 2019; and
- E. ORS 238.697 requires that the District (1) obtain a statistically based assessment from an independent economic or financial consulting firm regarding the likelihood that investment returns on bond proceeds will exceed the interest cost of the bonds under various market conditions and (2) make a report (the “Report”) available to the general public that describes (a) the result of the assessment and (b) discloses whether the District has retained the services of an independent SEC-registered advisor; and
- F. The Report is attached hereto as Exhibit A and the District has obtained an assessment (the “Assessment”), dated January 21, 2021 and further updated on April 15, 2021, from ECONorthwest, an independent economic consulting firm, which is attached to the Report; and
- G. The District understands that the Assessment is based on facts and assumptions that are subject to change, including market projections that are anticipated to be updated by the Oregon Investment Council in June, 2021 and that in order to help evaluate the potential risk in the absence of updated market information, the Assessment was revised to include higher borrowing rate assumptions to approximate less-favorable future market conditions; and
- H. Current interest rates in the bond market are below 4.50 percent, creating the opportunity for the District to finance all or a portion of its unfunded pension liability and potentially reduce its costs.

RESOLUTION

- 1. The Board of Directors (the “Board”) of the District hereby authorizes the issuance of full faith and credit pension bonds (“Bonds”) in accordance with this resolution and in an amount which does not exceed the amount necessary to produce net proceeds equal to the Pension Liability as reported by the OPERS’s actuary as of the expected date of the lump sum payment, plus costs of issuing the Bonds.
- 2. Bond proceeds may be used to pay all or a portion of the Pension Liability and to pay costs of issuing the Bonds. The District may direct that a portion of the Bond proceeds be directly paid to OPERS after closing and a portion be retained by the District for payment to OPERS over time as determined by the District’s Superintendent, Deputy Superintendent of Business & Operations, Chief Financial Officer, or the person designated by any of those individuals to act under this resolution (each a “District Official”).

3. As of the date of this resolution, OPERS charges the District a rate of 7.20 percent per annum on its unfunded liability because that is the assumed rate of return that OPERS expects, over the long term, to earn on its investments. Issuing Bonds at a lower rate of interest and depositing proceeds at OPERS in a Side Account ("Side Account") may reduce costs for the District if the rate of return on the Bond proceeds deposited in the Side Account exceeds the borrowing costs. To maximize the potential for the rate of return on the OPERS fund to exceed the rate of interest on the Bond, the Bond shall not be sold at a true interest cost of more than 4.5% per annum.
4. The District Official shall compare the cash flows required to pay the Bonds to the payroll rate credit currently estimated from the Side Account and determine a Bond structure which the District Official estimates will be advantageous to the District.
5. The District Official is authorized to execute a letter to be sent to OPERS requesting the necessary payoff figures and to pay any fees required in connection therewith or, if such letter has been executed prior to the adoption of this resolution, the Board hereby ratifies such action.
6. In addition, the District Official may, on behalf of the District, and without further action by the Board:
 - a. Sell or issue the Bonds in one or more series, which may be sold at different times.
 - b. Participate in the preparation of, authorize the distribution of, and deem final any official statement or other disclosure documents relating to the Bonds.
 - c. Enter into covenants for the benefit of owners of the Bonds that are intended to improve the terms under which the Bonds are issued.
 - d. Apply for ratings on the Bonds and purchase municipal bond insurance or obtain other forms of credit enhancements for the Bonds, enter into agreements with the providers of credit enhancement, and execute and deliver related documents.
 - e. Publish a notice of sale, receive bids and award the sale of each series of the Bonds to the bidder complying with the notice and offering the most favorable terms to the District, or select one or more underwriters or other lenders and negotiate the sale of any series with those underwriters or other lenders.
 - f. Appoint a trustee, registrar, paying agent, municipal advisor, bond counsel, and/or any other professionals whose services are desirable for the Bonds and negotiate the terms of and execute any agreements with such professionals.
 - g. Establish the final principal amount, payment schedule, interest rates (subject to the limit in Section 3 of this resolution), and other terms of the Bonds.
 - h. Undertake to provide continuing disclosure for the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission and any other applicable requirements of the United States Securities and Exchange Commission and any other federal agencies.
 - i. Enter into one more trust agreements or similar documents, which describe the terms of the Bonds.
 - j. Execute and deliver a supplement to the Intercept Agreement and any related documents, in order to provide for diversion of State Education Revenues to a trustee to pay debt service on the Bonds, including a certificate demonstrating that State Education Revenues in each of the three most recently completed fiscal years is not less than two (2.0) times the average annual debt service on the Bonds and any other outstanding pension bonds issued under the Intercept Agreement, including the Prior Pension Bonds.
 - k. Issue any series of Bonds on a standalone basis, or as part of a pooled pension borrowing program that is expected to produce savings for the District, and enter into any agreements and execute any documents desirable to facilitate participation in that program.
 - l. Execute and deliver any agreements or other documents, and take any other action in connection with the Bonds that a District Official finds is desirable to issue the Bonds in accordance with this resolution.

7. The Bonds shall be payable from all lawfully available funds of the District and shall be secured by the District's full faith and credit and taxing power within the limitations of Article XI, Sections 11 and 11b of the Oregon Constitution as permitted by ORS 287A.315. The District may also pledge amounts under the Intercept Agreement, as it may be supplemented, to secure the Bonds.
8. This resolution shall take effect on the date of its adoption by the Board.

Exhibit A

Report on Pension Bonds

Prior to the issuance of full faith and credit pension bonds, Portland Public Schools, Multnomah County, Oregon also known as Multnomah County School District 1J (the "District") has obtained a statistically based assessment from ECONorthwest entitled "Issuance of Pension Obligation Bonds – A Risk/Reward Analysis" updated as of April 15, 2021 (the "Assessment") pursuant to ORS 238.697(1)(a). The Assessment was updated in order to include a fourth assumed pension bond true interest cost to help evaluate the potential risk associated with less-favorable future market conditions that may be projected in updated market information (anticipated to be available from the Oregon Investment Council in June, 2021).

The District has prepared this report pursuant to ORS 238.697(1)(b) (the "Report").

In connection with the issuance of pension obligation bonds, the District has retained the services of Piper Sandler & Co., an independent municipal advisor registered with the Securities and Exchange Commission.

The Assessment is attached to this Report as Exhibit 1.

A description of the results of the Assessment follows:

DATE: April 15, 2021
TO: Angie Peterman, Oregon Association of School Board Officials
FROM: ECONorthwest
SUBJECT: Pension Obligation Bond Analysis Executive Summary

Introduction

ECONorthwest recently conducted an analysis to evaluate the risks and rewards of issuance of Pension Obligation Bonds (POBs) by public employers that are part of the Oregon Public Employee Retirement System (OPERS).¹ For this analysis, we assumed that officials of governmental entities receiving our report are in a position to finance such bonds. Proceeds from the POBs would be added to, or used to create, side account balances to be managed in the same way as other PERS assets, by the Investment Division of the Oregon Treasury under the guidance of the Oregon Investment Council (OIC). This executive summary outlines the motivation for issuing POBs, our analytic methodology, and findings from our analysis. Additional details about the analysis are presented in our main report.

Background

Like many other states, Oregon's PERS has seen a growing gap between the cost of PERS benefits promised to participating public employees and the funding available for those benefits, resulting in an unfunded actuarial liability (UAL). Resolving the UAL will require increasing contributions from participating public employers over a long period of time. Pension obligation bonds, if issued in an economical manner and invested in a higher yielding portfolio, can potentially improve the ability of employers to pay their share of PERS obligations to the OPERS fund. Whether or not issuance of POBs makes sense in this setting will depend upon the likely evolution of side account returns relative to true interest cost (TIC) of the POBs.

Employers may benefit if the TIC of a bond issue is low relative to the potential return opportunities of a PERS side account over the same future period as the bond issues. However, this outcome is by no means assured. The true interest cost of carrying the POB debt would be known, but the employer also has to consider the risks associated

¹ The analysis provided in this document was developed by ECONorthwest for informational purposes only. All possible professional care was taken to prepare a realistic emulation of the likely POB side account behavior, and the OPERS procedures for accommodating POBs. State of the art modeling and statistical software was employed in this exercise. It should be recognized, however, that there are practical limits to the precision with which market and agency behavior can be modeled. The generic nature of the modeling performed may or may not be relevant to the circumstances of any one public employer. Additionally, nothing herein should be construed as offering investment advice or fairness opinions for the purpose of issuing securities. For this, interested parties should seek out professional counsel.

with committing future revenue paying to the POB debt. In addition, the future rate of returns to side account deposits are not known with certainty.

Portfolio allocation and other decisions made by the OIC influence the performance of the OPERS assets, as can the timing of the issuance of POBs. The primary determinants of the risk to POB issuers are (1) uncertainty in the performance of the asset classes that comprise the side account, (2) asset allocation choices made by the trustees of that account, and (3) the interactions of these factors with the POB strategy of the public employer(s).

To quantify these risks, our analysis models side account performance over time under various market conditions and bond issuance scenarios. The results quantify the potential risks and rewards of POBs under the assumed conditions.

Methodology

The model simulates side account performance using portfolio allocation targets obtained from OIC documents, and on forecasts of anticipated asset returns, based on reports from Oregon Treasury Investment Division staff, their consultants, and OPERS actuaries. We combine this information with assumptions about side account management. Specifically, we assume:

1. Side account balances are amortized at a constant share of payroll over the remaining life of the side account (assumed to expire on 12/31/2039, during fiscal year 2040).
2. Funds equal to the relevant percent of payroll are removed from the account as employer rate relief.
3. Earnings on side account deposits are credited annually.

To characterize the distribution of potential benefits to employers of POB issuance, we conduct 20,000 simulations of side account performance over the life of the account for each of four assumed POB TICs (2.5 percent, 3.5 percent, 4.5 percent, and 5.5 percent).² Each simulation represents a different, potential future path of account returns over time. For each simulation, we compare the benefits provided to employers in the form of rate relief to the cost of bond repayment. In doing so, we quantify two important measures of risk and reward:

² The fourth TIC of 5.5% was not modeled in our original report. In lieu of updated market projections (anticipated to be available from OIC in June, 2021), the additional scenario provides an alternative means to evaluate the potential risk of less-favorable future market conditions relative to those anticipated in our original report.

- **The present value (PV) of POB issuance.** This measure identifies the current value to employers of future benefits of POB issuance (the extent to which rate relief obtained exceeds bond repayments).
- **The probability that PV is greater than zero.** This measure of risk identifies the likelihood, given the assumptions in the model, that the current value of POB issuance would prove beneficial to the employer (if PV falls below zero, POB issuance is more costly to the employer than not issuing bonds).

Summary of findings

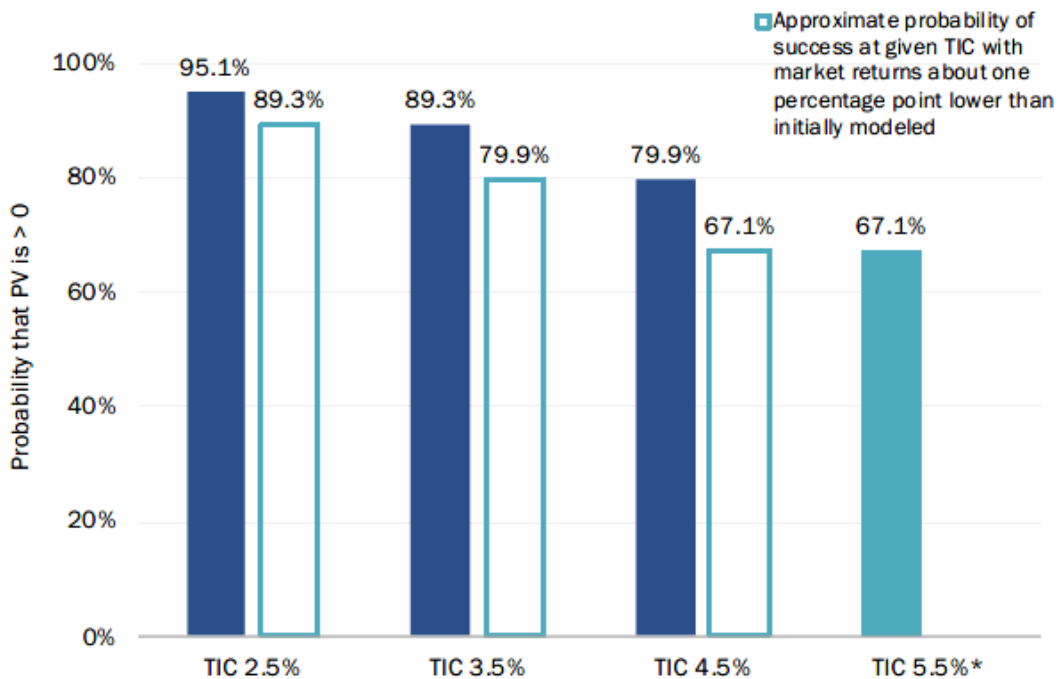
The findings presented below refer to an initial side account deposit of \$1 million. The results can be scaled to approximate the potential risks and rewards of larger or smaller deposits. For example, a \$2 million deposit would generate a benefit or loss of two times the dollar amounts shown in the charts and tables below. The probability that the PV is greater than zero depends on the TIC, not on the size of the initial deposit.

We added a fourth TIC of 5.5% to the analysis to help evaluate the potential risk associated with less-favorable future market conditions that may be projected in updated market information (anticipated to be available from OIC in June, 2021) relative to those anticipated in our original report. Output from the new scenario provides an approximate characterization of the potential risk inherent in less favorable market conditions than those modeled in the original report. For example, the 5.5% TIC scenario output is roughly analogous to a 4.5% TIC bond issue with market returns approximately one percentage point below those anticipated in our original analysis. The 4.5% TIC scenario can be similarly compared to the 3.5% TIC scenario output.

Our analysis assumes a maturity date for the bonds in fiscal year 2040. The projected annualized geometric mean return over the term of the bonds is 7.1, with a 5th percentile annualized return of 3.9 percent and a 95th percentile annualized return of 10.6 percent.

Figure 1 shows the probability that the present value of POB issuance is greater than zero. As the chart demonstrates, this probability declines as TIC increases. The solid bars show this probability for each TIC as initially modeled. The outlined bars show these probabilities based on our approximation of less favorable market conditions (e.g., at a TIC of 3.5%, the probability of a present value greater than zero is approximated by the modeled probability for a TIC of 4.5%).

Figure 1: Probability that the present value of POB issuance is greater than zero, various TICs

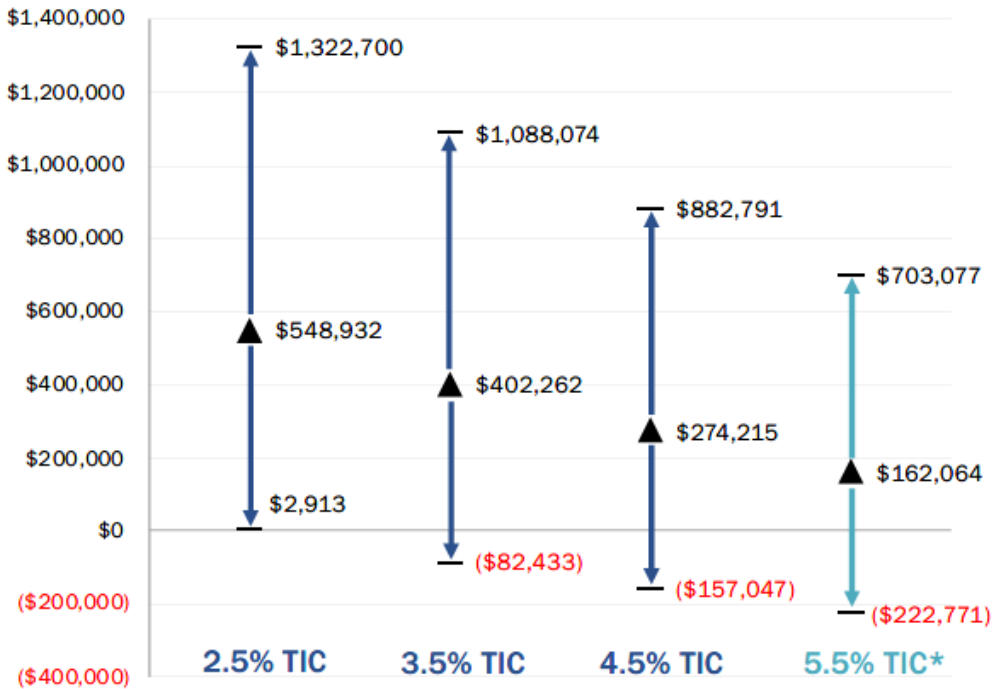


Source: ECONorthwest

*The fourth TIC of 5.5% was added to our analysis to help evaluate the potential risk associated with less-favorable future market conditions relative to those anticipated in our original report. For example, the 5.5% TIC scenario provides output that is roughly analogous to a 4.5% TIC bond issue with market returns approximately one percentage point below those anticipated in our original analysis. The 4.5% TIC scenario can be similarly compared to the 3.5% TIC scenario output, and so on.

Figure 2 illustrates the range (5th percentile, median, and 95th percentile) of present values obtained from the simulations for each TIC. This distribution shifts downward as TIC increases. At 2.5 percent TIC, the 5th percentile present value is close to zero. At 4.5 percent TIC the 5th percentile outcome is below zero and equal in magnitude to 16 percent of the initial deposit. For the additional 5.5 percent TIC scenario, at the 5th percentile the outcome is below zero and equal in magnitude to 22 percent of the initial deposit. These values, in combination with the probabilities described above, quantify some of the financial risks of POB issuance.

Figure 2: 5th percentile, mean, and 95th percentile present value, various TICs



Source: ECONorthwest

*The fourth TIC of 5.5% was added to our analysis to help evaluate the potential risk associated with less-favorable future market conditions relative to those anticipated in our original report. For example, the 5.5% TIC scenario provides output that is roughly analogous to a 4.5% TIC bond issue with market returns approximately one percentage point below those anticipated in our original analysis. The 4.5% TIC scenario can be similarly compared to the 3.5% TIC scenario output, and so on.

Figure 3 provides additional detail about the distribution of outcomes. As illustrated in earlier figures, outcomes at every point in the distribution are more positive at lower TICs. Present values are also somewhat more volatile at lower TICs, as evidenced by the higher standard deviations.

Figure 3: Distribution of present value and probability of a positive present value, various TICs

Rate (TIC)	2.5%	3.5%	4.5%	5.5%*
Mean	\$548,932	\$402,262	\$274,215	\$162,064
Std Deviation	\$419,122	\$370,750	\$329,071	\$293,051
Maximum	\$3,393,617	\$2,967,149	\$2,592,638	\$2,262,810
Minimum	\$(336,091)	\$(385,105)	\$(428,435)	\$(466,879)
95th Perc	\$1,322,700	\$1,088,074	\$882,791	\$703,077
90th Perc	\$1,104,226	\$893,399	\$709,810	\$548,797
75th Perc	\$770,245	\$599,774	\$450,156	\$320,087
50th Perc	\$480,961	\$342,299	\$220,903	\$114,852
25th Perc	\$248,540	\$136,280	\$38,418	\$(47,779)
10th Perc	\$85,882	\$(8,851)	\$(91,354)	\$(163,865)
5th Perc (VaR)	\$2,913	\$(82,433)	\$(157,047)	\$(222,771)
Zero Bound Perc	95.1%	89.3%	79.9%	67.1%

Source: ECONorthwest

*The fourth TIC of 5.5% was added to our analysis to help evaluate the potential risk associated with less-favorable future market conditions relative to those anticipated in our original report. For example, the 5.5% TIC scenario provides output that is roughly analogous to a 4.5% TIC bond issue with market returns approximately one percentage point below those anticipated in our original analysis. The 4.5% TIC scenario can be similarly compared to the 3.5% TIC scenario output, and so on.

Exhibit 1

Assessment

**Issuance of Pension
Obligation Bonds**
A Risk/Reward Analysis

Update

April 15, 2021

Randall J. Pozdena, PhD

Andrew Dyke, PhD

ECONorthwest

ECONOMICS · FINANCE · PLANNING

Introduction



Outline of Our Remarks

- **Introduction**
 - Basics of Pension Obligation Bonds (POBs)
 - Purpose of this Analysis
- **Approach**
 - Monte Carlo Methodology
 - Asset Return and Allocation Assumptions
 - Alternative Scenarios Modeled
- **Model Findings**
 - Side Account Performance and the Potential Benefits of POBs to Employers
- **Implications**
- **Acknowledgements, Caveats and Disclaimers**

This analysis was prepared to assist issuers of POBs in understanding the risks and returns of POBs under hypothetical conditions. Individuals should seek professional guidance concerning the relevance of this analysis to their circumstances.

3

Basics of POBs

- POBs are bonds issued by state or local governments to fund public employee pension obligations
 - First issued by City of Oakland in 1986 to arbitrage between tax-exempt borrowing rates and higher market investment yields of pension assets
- The Tax Reform Act of 1986 eliminated tax exemption for POBs
 - Higher yields of diversified portfolios relative to borrowing costs revived POB arbitrage opportunities in 1990s
- Still seen as a potential way to lower cost of pension funding
 - Use is heaviest by high-UAL plans (CA, IL, and OR)

This analysis was prepared to assist issuers of POBs in understanding the risks and returns of POBs under hypothetical conditions. Individuals should seek professional guidance concerning the relevance of this analysis to their circumstances.

4

Purpose of this Analysis

- Measure the potential risks and rewards of POBs
- The potential advantages of POBs to public employers depend upon the relative performance of the investment vehicle (“side account”) and POB issuance costs
 - Issuance of POBs may reduce employer costs of pension funding
 - However, high side account yields are not achieved without risk
- Key measures of POB performance
 - The mean expected net present value (PV) of side account returns relative to POB total interest costs
 - The risk profile of the PV given uncertainty about side account returns
- This update includes a fourth TIC of 5.5% that was not modeled in the original report. In lieu of updated market projections (anticipated to be available from OIC in June, 2021), the additional scenario provides an alternative means to evaluate the potential risk of less-favorable future market conditions relative to those anticipated in our original report.

This analysis was prepared to assist issuers of POBs in understanding the risks and returns of POBs under hypothetical conditions. Individuals should seek professional guidance concerning the relevance of this analysis to their circumstances.

5

Approach



Approach: Monte Carlo Simulation

- Quantifying advantages to issuers is complex
 - The future path of asset yields is not known precisely
 - Side account management and actuarial treatment of POB contributions must be emulated
- ECONorthwest uses Monte Carlo techniques to simulate uncertainty in side account performance
 - Individual asset class returns are stochastic
 - Rebalancing behaviors are linked to asset returns paths
- ECONorthwest POB model also emulates POB and Plan features
 - Alternative Total Interest Cost (TIC) of the POB issue
 - Actuarial treatment of POB contributions

This analysis was prepared to assist issuers of POBs in understanding the risks and returns of POBs under hypothetical conditions. Individuals should seek professional guidance concerning the relevance of this analysis to their circumstances.

7

Model Assumptions

- Four issuance cost (TIC) assumptions: 2.5%, 3.5%, 4.5%, 5.5%*
- Our analysis uses the portfolio target and asset returns characteristics forecast for the OIC/OST in February 2020 by Callan, an investment consultant to OST.
- Current allocation based on OPERF valuation as of 10/31/2020.
- All analyses assume a \$1 m. total POB contribution to facilitate scaling.
- Present value calculations include calculated earnings through December 2039 (assumed end of the side account) and bond costs through 2040.

*The fourth TIC of 5.5% was added to our analysis to help evaluate the potential risk associated with less-favorable future market conditions relative to those anticipated in our original report.

This analysis was prepared to assist issuers of POBs in understanding the risks and returns of POBs under hypothetical conditions. Individuals should seek professional guidance concerning the relevance of this analysis to their circumstances.

8

Asset Return and Allocation Assumptions

Asset Class	Future Returns and Volatility		Portfolio Allocation		
	Mean	St. Dev.	Range	Target	Current*
All Public Equity	--	--	27.5 - 37.5%	32.5%	29.3%
Broad U.S. Equity	7.2%	18.0%	--	16.3%	14.7%†
Global ex-U.S. Equity	7.3%	20.5%	--	16.3%	14.7%†
Illiquid alternatives	7.4%	12.5%	7.5 - 17.5%	15.0%	10.6%
Diversifying Strategies	6.0%	11.0%	0 - 5.0%	0.0%	2.1%
Fixed Income	2.8%	3.8%	15.0 - 25.0%	20.0%	20.2%
Private Equity	9.2%	26.3%	13.5 - 21.5%	17.5%	24.8%
Real Estate	7.0%	12.2%	9.5 - 15.5%	12.5%	11.0%
Risk Parity	6.3%	11.0%	0.0 - 2.5%	2.5%	2.0%

Source: ECONorthwest from Callan and OST data.

Notes:

* Current allocation is based on 10/31/2020 valuation.

† Values have been imputed using target allocations.

Asset Return and Allocation Assumptions

Asset Class Returns Correlation over Time

Asset Class	Broad US Equity	Global Ex-US Equity	Private Equity	Fixed Income	Real Estate	Illiquid Alternatives	Diversifying Strategies	Risk Parity
Broad US Equity	1.00	0.85	0.92	-0.11	0.69	0.43	0.23	0.55
Global Ex-US Equity	0.85	1.00	0.88	-0.14	0.66	0.40	0.20	0.55
Private Equity	0.92	0.88	1.00	-0.23	0.77	0.55	0.15	0.40
Fixed Income	-0.11	-0.14	-0.23	1.00	-0.06	0.02	0.15	0.45
Real Estate	0.69	0.66	0.77	-0.06	1.00	0.56	0.20	0.54
Illiquid Alternatives	0.43	0.40	0.55	0.02	0.56	1.00	0.17	0.29
Diversifying Strategies	0.23	0.20	0.15	0.15	0.20	0.17	1.00	0.33
Risk Parity	0.55	0.55	0.40	0.45	0.54	0.29	0.33	1.00

Amortization Assumptions

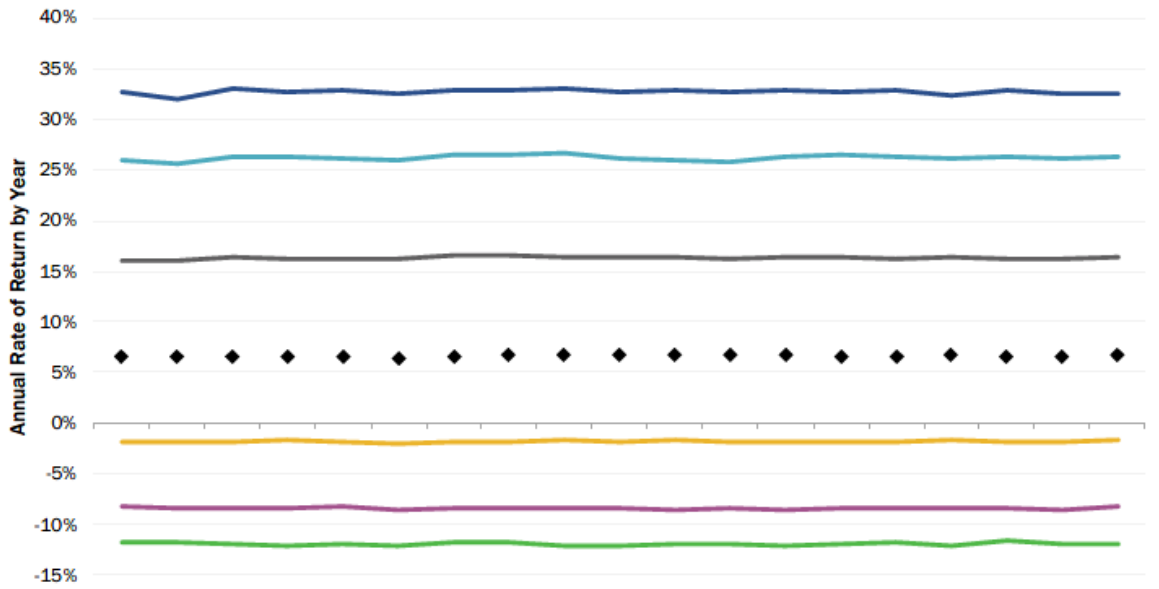
- Side account balances are influenced by amortization procedures
 - Balances amortized as a constant percent of payroll over remaining life of the side account (the account is assumed to end on 12/31/2039)
 - Each year, the percent of payroll that is determined by the amortization is taken out of the modeled side account balance for employer rate relief
 - Assumed earnings rate of 7.2% and 3.50% payroll growth rate are used in amortization
- Current plan procedures are incorporated:
 - Credited earnings and deducted transfers to the Employer Reserve for rate relief are accommodated
- Earnings are credited annually at the simulated portfolio rate of return
 - Applied to the beginning balance for the year minus one half of the amount taken out for rate relief

11

Model Results



Mean Annual Side Account Return and Range

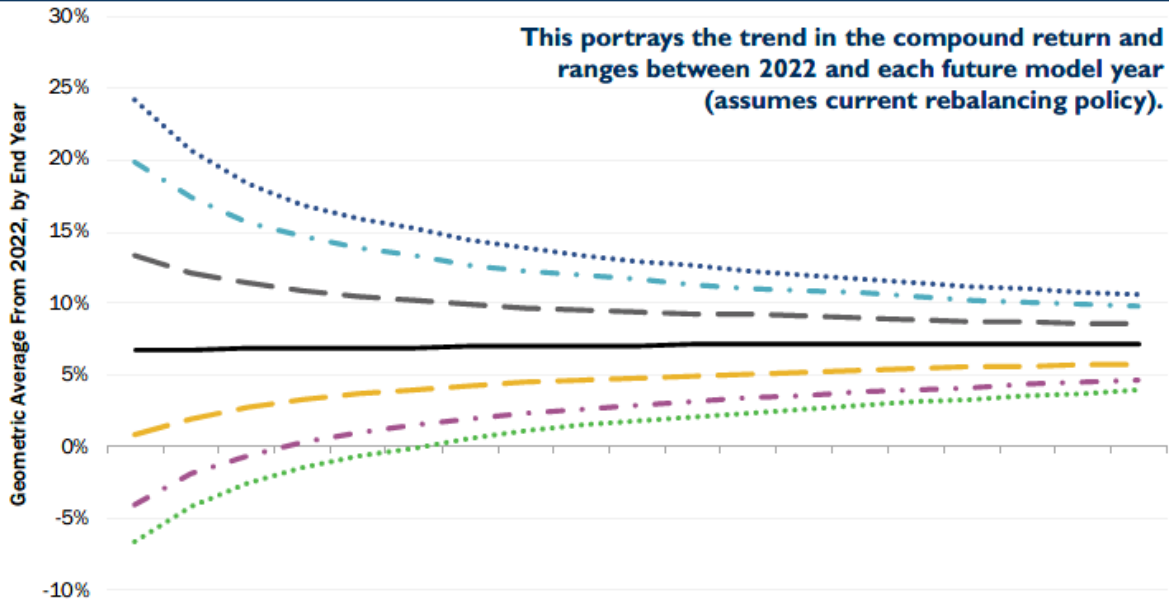


Percentile	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
95th	32.7%	32.0%	33.0%	32.8%	32.8%	32.5%	32.9%	32.9%	33.0%	32.7%	32.8%	32.7%	33.0%	32.7%	32.8%	32.4%	32.9%	32.5%	32.5%
90th	25.9%	25.6%	26.3%	26.2%	26.1%	25.9%	26.4%	26.5%	26.7%	26.1%	25.9%	25.8%	26.3%	26.4%	26.3%	26.1%	26.3%	26.2%	26.4%
75th	16.1%	16.0%	16.3%	16.3%	16.3%	16.2%	16.5%	16.5%	16.5%	16.4%	16.4%	16.3%	16.5%	16.3%	16.2%	16.4%	16.2%	16.2%	16.4%
50th	6.6%	6.5%	6.5%	6.6%	6.6%	6.3%	6.6%	6.7%	6.8%	6.7%	6.7%	6.7%	6.7%	6.6%	6.6%	6.7%	6.6%	6.6%	6.7%
25th	-1.8%	-1.8%	-1.9%	-1.7%	-1.8%	-2.0%	-1.8%	-1.8%	-1.7%	-1.8%	-1.7%	-1.8%	-1.8%	-1.8%	-1.8%	-1.8%	-1.8%	-1.8%	-1.7%
10th	-8.3%	-8.4%	-8.3%	-8.5%	-8.3%	-8.5%	-8.4%	-8.4%	-8.4%	-8.4%	-8.5%	-8.4%	-8.5%	-8.3%	-8.4%	-8.4%	-8.4%	-8.5%	-8.2%
5th	-11.7%	-11.8%	-12.0%	-12.1%	-12.0%	-12.1%	-11.8%	-11.8%	-12.1%	-12.2%	-12.0%	-12.0%	-12.1%	-11.9%	-11.8%	-12.0%	-11.6%	-11.9%	-11.9%

Mean Annual Side Account Returns (cont.)

- The forecast extends to fiscal year 2040, the last year the side account exists
 - Trend in mean annual return
 - Increase from 6.6% in 2022 to 6.7% as of the 2040 forecast horizon
 - Trend in 95th percentile return
 - Decreases from 32.7% in 2022 to 32.5% as of the 2040 forecast horizon
 - Trend in 5th percentile return
 - Decreases from -11.7% in 2022 to -11.9% as of the 2040 forecast horizon
- Trends are similar to recent forecasts by consultants to OIC/OST and OPERS

Geometric Mean Returns from 2022, by Year



Percentile	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
95th	24.2%	20.6%	18.4%	16.9%	15.9%	15.2%	14.4%	13.8%	13.4%	13.0%	12.6%	12.3%	12.0%	11.7%	11.4%	11.2%	11.0%	10.8%	10.6%
90th	19.8%	17.4%	15.7%	14.6%	13.9%	13.3%	12.7%	12.3%	11.9%	11.7%	11.3%	11.1%	10.9%	10.7%	10.5%	10.2%	10.1%	9.9%	9.8%
75th	13.3%	12.1%	11.4%	10.9%	10.5%	10.2%	10.0%	9.7%	9.6%	9.4%	9.3%	9.2%	9.1%	8.9%	8.9%	8.8%	8.7%	8.6%	8.5%
50th	6.7%	6.8%	6.8%	6.9%	6.9%	6.9%	7.0%	7.0%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%
25th	0.8%	2.0%	2.7%	3.3%	3.7%	4.0%	4.2%	4.5%	4.6%	4.8%	4.9%	5.1%	5.2%	5.3%	5.4%	5.5%	5.6%	5.7%	5.8%
10th	-4.0%	-1.9%	-0.6%	0.3%	1.0%	1.5%	1.9%	2.3%	2.6%	2.9%	3.2%	3.4%	3.6%	3.8%	4.0%	4.1%	4.3%	4.4%	4.6%
5th	-6.7%	-4.1%	-2.5%	-1.5%	-0.6%	0.0%	0.6%	1.1%	1.5%	1.8%	2.1%	2.4%	2.6%	2.9%	3.1%	3.3%	3.5%	3.7%	3.9%

Geometric Mean Returns (cont.)

- Fiscal year 2040 is the assumed final year of bonds
 - The projected annualized geometric mean return over the term of the bonds is 7.1%
 - The 95th percentile return is 10.6%
 - The 5th percentile return is 3.9%
- Again, the forecast returns are similar to those derived by other consultants to OIC and OPERS

The Effect of Issuance TIC on PV of POBs

- The PV of the POB strategy varies inversely with TIC
 - Expected value of POB policy is \$548,932, \$402,262, \$274,215, and \$162,064 (per million dollars) for TICs of 2.5%, 3.5%, 4.5%, and 5.5%, respectively.
- Also, 5th percentile VaR increases with TIC
 - VaR per million dollars is \$(2,913), \$82,433, \$157,047, and \$222,771 (per million dollars) for TICs of 2.5%, 3.5%, 4.5%, and 5.5%, respectively.
- We added a fourth TIC of 5.5% to the analysis to help evaluate the potential risk associated with less-favorable future market conditions relative to those anticipated in our original report.
- Output from the new scenario provides an approximate characterization of the potential risk inherent in less favorable market conditions than those modeled in the original report.
- For example, the 5.5% TIC scenario provides output that is roughly analogous to a 4.5% TIC bond issue with market returns approximately one percentage point below those anticipated in our original analysis. The 4.5% TIC scenario can be similarly compared to the 3.5% TIC scenario output, and so on.

17

The Effect of TIC on PV of POBs

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POB Probability of Success: $PV > \$0$

- This is another perspective on risk
 - The VaR measures the 5th percentile dollar value at risk
 - The zero bound measures the overall probability of the dollar value of the PV benefit being more than zero (i.e., success)

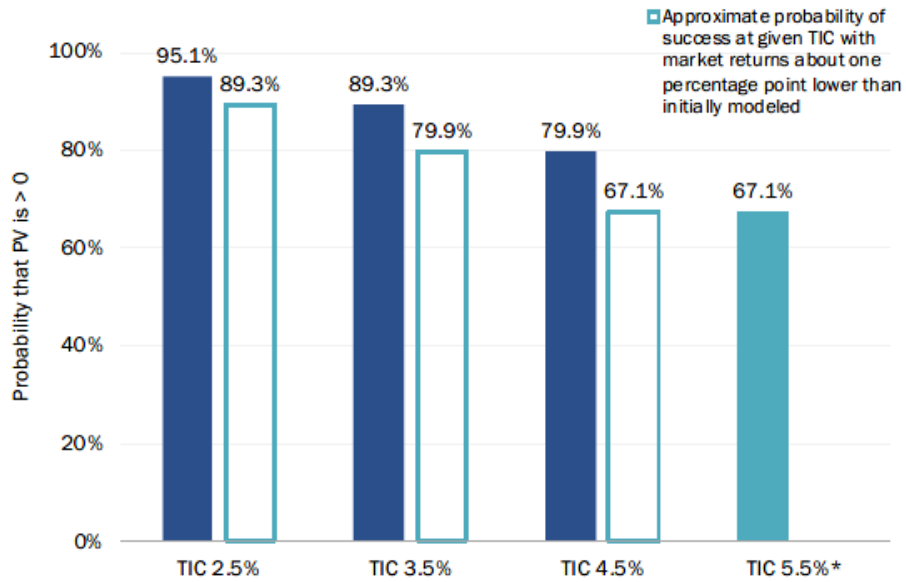
- Model results
 - The probability of a positive PV is lower for higher TICs
 - Probabilities of being above zero range from 67% (TIC 5.5%*) to 95% (TIC 2.5%)

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19

Probability that PV is More than \$0

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Summary PV Statistics, by Scenario

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No. of Tranches	1	1	1	1
Rate (TIC)	2.5%	3.5%	4.5%	5.5%*
Mean	\$548,932	\$402,262	\$274,215	\$162,064
Std Deviation	\$419,122	\$370,750	\$329,071	\$293,051
Maximum	\$3,393,617	\$2,967,149	\$2,592,638	\$2,262,810
Minimum	\$(336,091)	\$(385,105)	\$(428,435)	\$(466,879)
95th Perc	\$1,322,700	\$1,088,074	\$882,791	\$703,077
90th Perc	\$1,104,226	\$893,399	\$709,810	\$548,797
75th Perc	\$770,245	\$599,774	\$450,156	\$320,087
50th Perc	\$480,961	\$342,299	\$220,903	\$114,852
25th Perc	\$248,540	\$136,280	\$38,418	\$(47,779)
10th Perc	\$85,882	\$(8,851)	\$(91,354)	\$(163,865)
5th Perc (VaR)	\$2,913	\$(82,433)	\$(157,047)	\$(222,771)
Zero Bound Perc	95.1%	89.3%	79.9%	67.1%

This table summarizes the simulations of the present value of potential gains from implementing a POB strategy. All dollar amounts are per \$1 million of POB funding.

21

Conclusions

- The expected value to employers of a POB strategy is positive (in present value terms)
 - The expected value is non-trivial proportion of POB funding under the scenarios modeled
 - The 5th percentile VaR is less than the expected PV in all of the scenarios modeled except for the 2.5% TIC scenario.
- However, there is a non-trivial probability that the present value of POBs is zero or less, and the probability increases with TIC
- Important considerations for individual employers
 - The issuance TIC
 - Some issuance costs are not included in TIC
 - Whether the employer's payroll growth rate is the same as currently assumed by the PERS actuary

22

Acknowledgements, Caveats, and Disclaimers

The authors wish to acknowledge the kind assistance of Mike G Mueller of the Oregon State Treasury, Investment Division for their kind assistance, and for Callan and Associates staff's generous provision of capital market assumptions. We also wish to thank Carol Samuels of Piper Sandler & Co. for her assistance in providing insight into muni market conditions. Finally, a note of gratitude to Carl Batten, original developer of the ECONorthwest POB model, for his ongoing assistance with subsequent iterations of the model, including the version used in this analysis. None of the statements or analysis herein should be attributed to anyone other than ECONorthwest staff.

The analysis provided in this document was developed by ECONorthwest for informational purposes only. All possible professional care was taken to prepare a realistic emulation of the likely POB side account behavior, and the OPERS procedures for accommodating POBs. State of the art modeling and statistical software was employed in this exercise. It should be recognized, however, that there are practical limits to the precision with which market and agency behavior can be modeled. The generic nature of the modeling performed may or may not be relevant to the circumstances of any one public employer. Additionally, nothing herein should be construed as offering investment advice or fairness opinions for the purpose of issuing securities. For this, interested parties should seek out professional counsel.

This analysis takes the narrow perspective of measuring the potential benefits of POB issuance to current employers and taxpayers. Whether use of pension obligation bonds is good public policy is a matter of professional debate and is not addressed herein.

This analysis was prepared to assist issuers of POBs in understanding the risks and returns of POBs under hypothetical conditions. Individuals should seek professional guidance concerning the relevance of this analysis to their circumstances.

23

ECONorthwest

ECONOMICS • FINANCE • PLANNING



Los Angeles



Portland



Seattle



Boise



PORTLAND PUBLIC SCHOOLS
OFFICE OF Chief Financial Officer

501 North Dixon Street / Portland, OR 97227
Telephone: (503) 916-3115

Date: May 11, 2021
To: School Board
From: Nolberto Delgadillo, CFO
Subject: Issue Revenue Bonds to Finance Pension Liability

BACKGROUND

A Limited Tax Pension Bond (i.e. PERS Obligation Bond or POB) are bonds issued by state or local governments to fund public employee pensions. This is seen as a financial strategy to lower costs of pension funding by benefiting when the true interest cost (TIC) of the POB is low relative to the potential future return of investments. Fundamentally, if returns are greater than the borrowing rate then borrowers should expect to have lower pension costs than they would otherwise be; if returns equal borrowing rate, then borrowers should expect to break even; and if returns are less than the borrowing rate then borrowers would be worse off than if they had not issued the bonds.

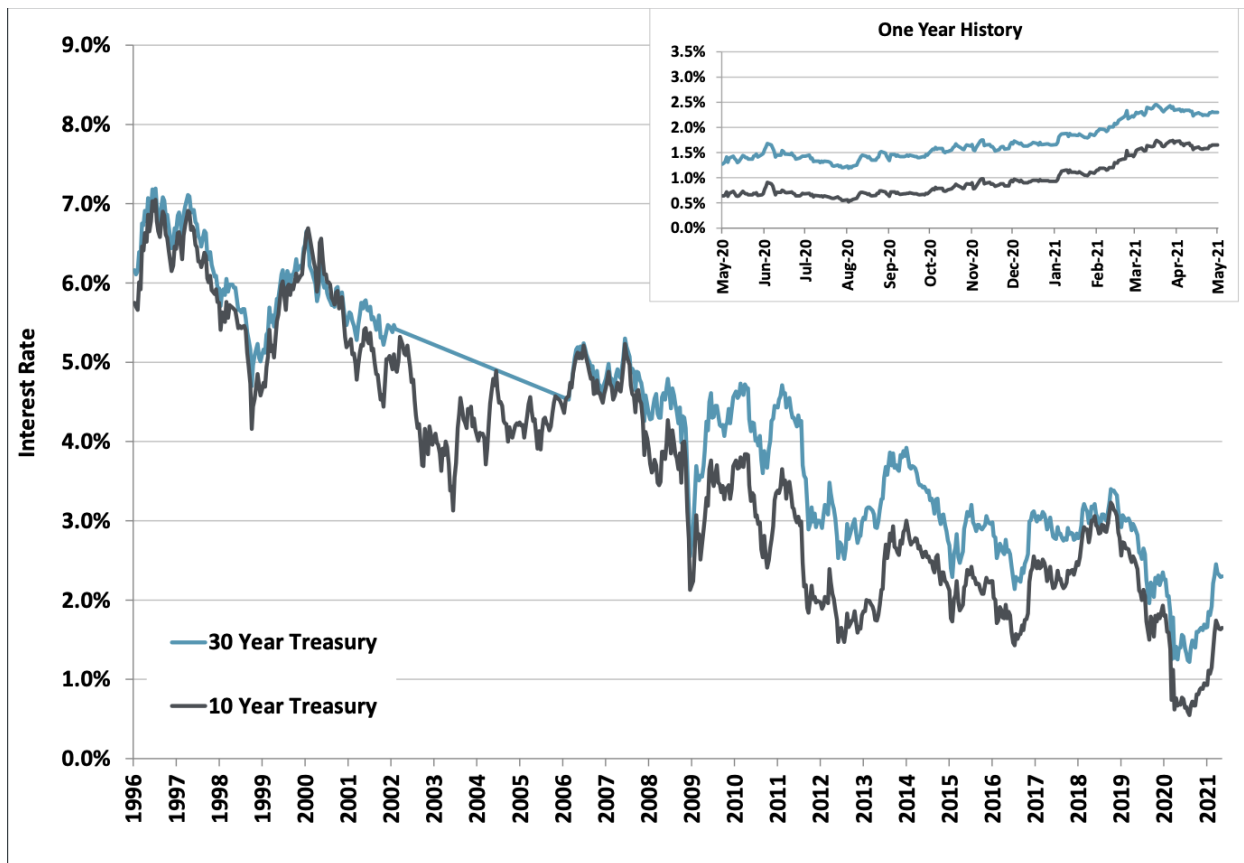
The current historically low interest rates make it ideal to consider pursuing a Limited Tax Pension Bond (i.e. PERS obligation bond) to finance and refinance a portion of the District's share of the estimated unfunded pension liability. The district has previously done this in 2002, 2003 and 2012 in order to save millions of dollars. We are working with our bond financial advisors, Piper Sandler & Co and bond council, Hawkins, Delafield and Wood to prepare this recommendation.

RELATED POLICIES/BEST PRACTICES

Under federal tax law, POBs must be sold on a taxable basis, so borrowing rates are higher than on capital (tax-exempt) borrowings. Furthermore, prior to the issuance of full faith and credit pension bonds, Portland Public Schools has obtained a statistically based assessment from ECONorthwest entitled "Issuance of Pension Obligation Bonds – A Risk/Reward Analysis" pursuant to ORS 238.697(1)(a).

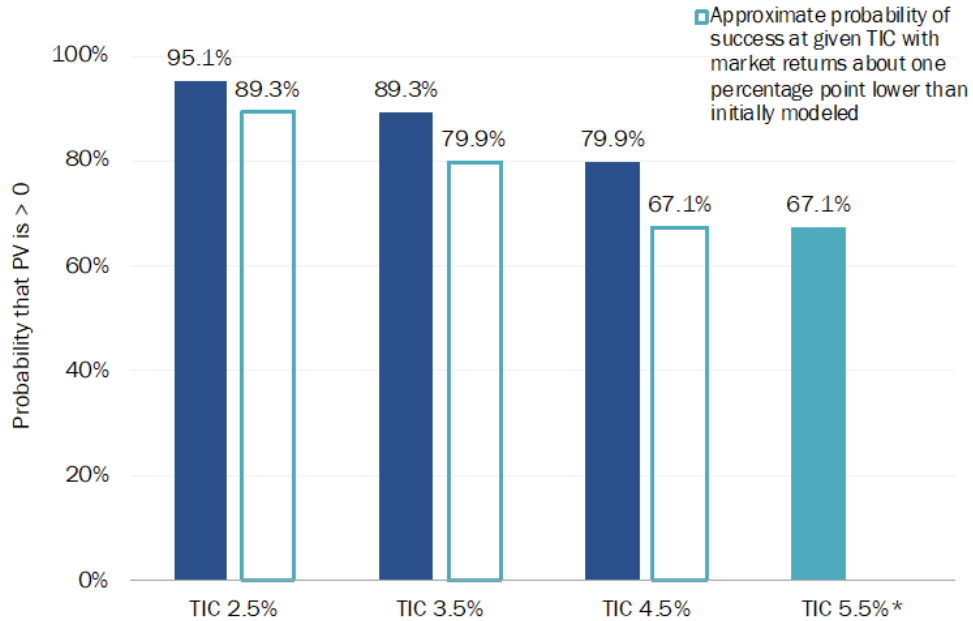
ANALYSIS OF SITUATION

The concept is to borrow at low interest rates and send bond proceeds to a PERS side account; if returns exceed the borrowing rate, then the school district will save. The current market conditions favor low interest rates:



However, there is some uncertainty with what the assumed earning rate (this is a projected percent of return) will be. To account for the variation in the assumed earning rate, the analysis included modeling out the variation in the probability of producing a favorable return:

*The fourth TIC of 5.5% was added to our analysis to help evaluate the potential risk associated with less-favorable future market conditions relative to those anticipated in our original report. For example, the 5.5% TIC scenario provides output that is roughly analogous to a 4.5% TIC bond issue with market returns approximately one percentage point below those anticipated in our original analysis. The 4.5% TIC scenario can be similarly compared to the 3.5% TIC scenario output, and so on.



20

What the chart shows on the y-axis is the probability that the present value will be greater than zero (i.e. lowering pension costs/saving money). The x-axis represents what the true interest cost borrowing rate would be. For TICs 2.5%, 3.5% and 4.5% the solid-colored bar is the probability under the initial assumed earning rate, while the white bars represent the probability of success under market returns of about one percent lower.

Information to further inform whether market rate returns may be about one percent lower is scheduled to be released in June-2021. Therefore, this analysis uses the available market return data and created an updated scenario to model out unfavorable market conditions by using the TIC as a proxy for unfavorable market conditions by about one percent.

An example of how to read this is, with the current market information that we have now (base case scenario of 7.2% earning rate), if the bond were sold at a TIC of 4.5%, there is an approximate probability of 79.9% for lowering pension costs. If market returns will be about one percent lower than the information we have now (6.2%), there would be an approximate probability of success of 67.1%.

The current projection is anticipating securing a TIC of approximately 3.5%.

FISCAL IMPACT

The district’s previous three PERS Bond issuances done in 2002, 2003 and 2012, were for a combined \$491,673,897 and generated present value savings of approximately \$184.6 million.

For this issuance the payoff amount is projected to be approximately \$393,266,844 million. Under the base case scenario of an assumed earning rate of 7.2% and a TIC of 3.5% the estimated present value savings is projected to be approximately \$125.7 million.

TIMELINE FOR IMPLEMENTATION / EVALUATION

- May 11: Board Approves Resolution
- April-June: Development of Disclosure Document, Rating
- May 24th: During this week complete diligence and rating calls
- June 30: Bond Sale
- July 15: Closing, funds sent to PERS
- August 1: Payroll rates reduced.

BOARD OPTIONS WITH ANALYSIS

Option 1 – Not pursue the bond: the primary drawback is high probability of missing out on an opportunity to significantly reduce pension costs and save the district millions of dollars. The primary benefit is eliminating all risks associated with pursuing pension obligation bonds.

Option 2 – Wait for the June-2021 report to get more information regarding market conditions: The primary benefit is that there will be more up to date information to inform models for probability of success. The primary drawback is that the wait will push out the timeline and therefore increase the likelihood of not being able to secure the lowest interest rate possible.

Option 3 – Pursue the pension obligation bond so long as the true interest cost does not go above a specific threshold: The primary benefit for specifying a max TIC is providing management with approval to move forward but with guidance that matches risk tolerance. The primary drawback is that timing to complete the POB process may cause for the TIC to go above the threshold and therefore miss out on the opportunity to lower pension costs.

CONNECTION TO BOARD GOALS

Although there is no direct connection to a specific board goal, the opportunity to lower pension cost will provide us with an opportunity to continue to focus as many dollars as possible to achieving the board goals.

STAFF RECOMMENDATION

Approve the resolution Option 3 - Pursue the pension obligation bond so long as the true interest cost does not go above a specific threshold. The specific threshold would be a max TIC of 4.5%.

Taking into account that the analysis approximates a base market condition with a TIC of 3.5%, by approving the resolution with a max TIC of 4.5%, it provides flexibility in securing the bond. In the unlikely event that interest rates rose up to 4.5% by the time the bond sale occurred, based on the EcoNorthwest, analysis, in the base case scenario of 7.2% earning rate, if the bond were sold at a TIC of 4.5%, there is an approximate probability of 79.9% for lowering pension costs. If market returns are projected to be about one percent lower there would be an approximate probability of lowering costs of 67.1%.

Notwithstanding that market conditions favor the likelihood of securing a TIC closer to 3.5%, the following table provides additional rationale that the expected value of this POB strategy is positive (in present value terms) through a broad array of scenarios.

Summary PV Statistics, by Scenario

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Zero Bound Perc	95.1%	89.3%	79.9%	67.1%

This table summarizes the simulations of the present value of potential gains from implementing a POB strategy. All dollar amounts are per \$1 million of POB funding.

21

As a member of the PPS Executive Leadership Team, I have reviewed this staff report.

CH (Initials)

ATTACHMENTS

- A. Presentation from Carol Samuels, Managing Director, Piper Sandler
- B. Resolution

Presentation on Pension Obligation Bonds

May 2021

**Carol Samuels, Managing Director
Piper Sandler**

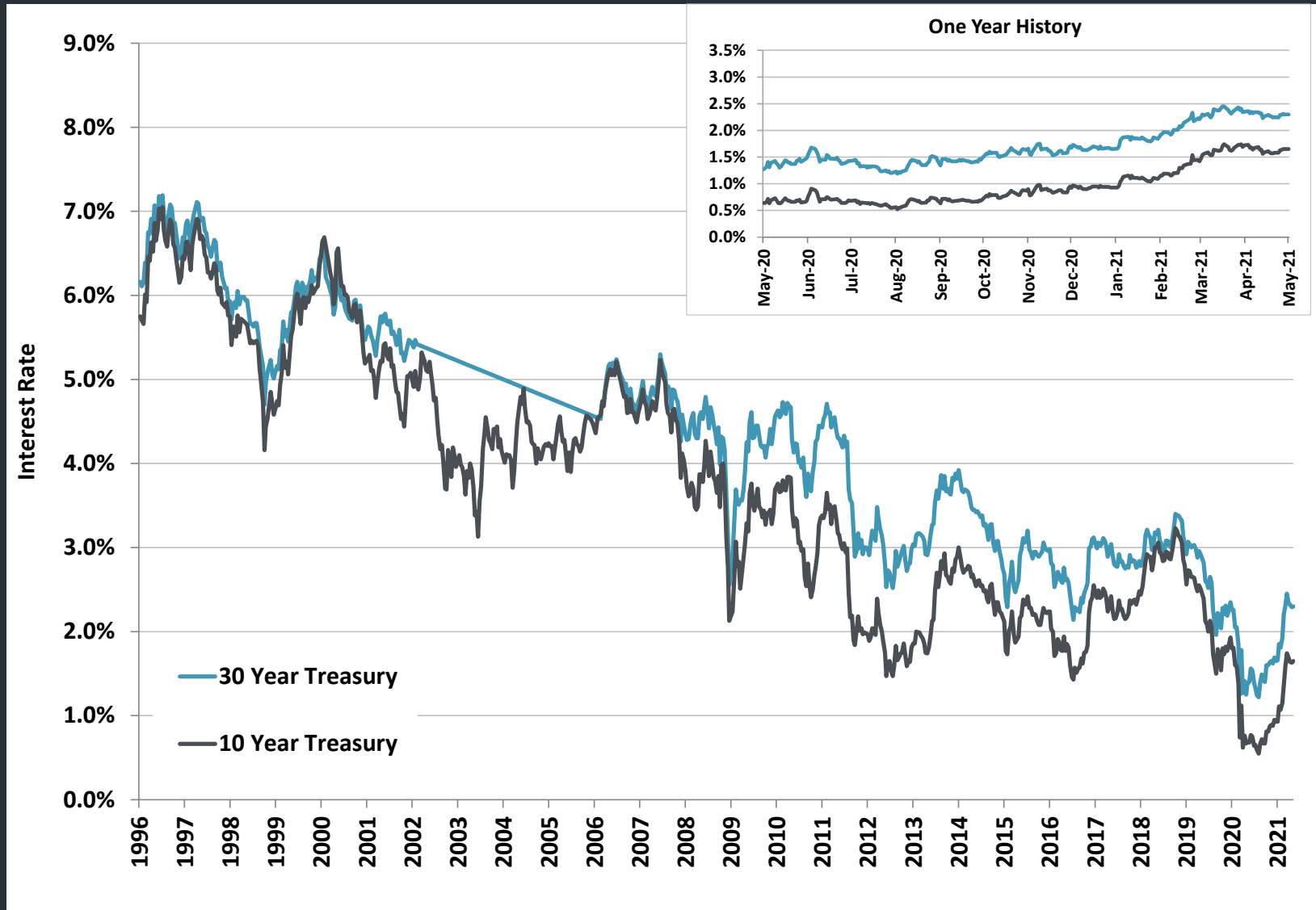
Pension Bonds (POBs) may help reduce pension costs

- Concept is to borrow at low interest rates and send funds to PERS; if returns exceed borrowing rate, jurisdictions save.
- Bond funds are deposited into Side Accounts (SAs) and invested with the rest of the PERS fund. Earnings/losses credited directly to SA.
- SAs are drawn down and provide 'rate credit' over 20 years from the date of the last valuation.
- Under federal tax law, POBs must be sold on taxable basis, so borrowing rates are higher than on capital borrowings.
- SAs funded with POBs are NOT eligible for State matching funds under Employer Incentive Fund.

Now is a good time to borrow

Interest rates are at historic lows

10 Year Treasury Rates vs. 30 Year Treasury Rates



Note: The 30 year treasury was not published between 2002 and 2006.

Oregon History with POBs

- Over 100 Oregon POBs were issued between 1999-2018; total exceeds \$6b.
 - Interest rates ranged from 3.43% to 7.06%.
 - Borrowing amounts ranged from \$3m - \$2b.
- Most SDs and CCs borrowed on pooled basis with ‘intercept agreements’ with State, in which ODE/CCWD makes debt service payments directly from monthly appropriation. Agreements standardized security and raised bond ratings.
- Generally positive PERS returns since borrowings means most, but not all, have realized savings. But they carry significant risks.

POBs are an arbitrage play!

Issuing a POB is not like refinancing your mortgage...

Success from borrowing largely depends on the market returning more than the cost of the bond.

- If returns $>$ borrowing rate, borrowers should expect to have lower pension costs than they would otherwise be.
- If returns = borrowing rate, borrowers should expect to break even.
- If returns $<$ borrowing rate, borrowers would be worse off than if they had not issued the bonds.

We are currently projecting borrowing rates of 3.50%.

PERS Investments

Year	Earnings (%)	Distributions			
		Tier One	Tier Two	Variable Account	IAP
1970	5.09	5.09		7.47	
1971	6.27	6.27		9.47	
1972	7.46	7.46		13.87	
1973	0.00	0.00		-16.39	
1974	0.00	5.50		-18.16	
1975	9.19	7.50		18.94	
1976	10.38	7.75		18.58	
1977	4.79	7.00		-2.62	
1978	7.37	7.00		7.03	
1979	12.32	11.09		20.40	
1980	16.92	13.00		29.94	
1981	4.37	7.50		-2.25	
1982	15.31	11.50		22.39	
1983	18.37	13.00		23.12	
1984	7.33	7.50		4.00	
1985	21.38	15.00		27.99	
1986	22.70	18.37		18.98	
1987	9.00	7.50		4.54	
1988	16.86	13.50		18.62	
1989	19.74	14.50		26.84	
1990	-1.53	8.00		-7.84	
1991	22.45	15.00		35.05	
1992	6.94	8.00		10.54	
1993	15.04	12.00		12.65	
1994	2.16	8.00		-1.76	
1995	20.78	12.50		29.92	
1996	24.42	21.00	24.42	21.06	
1997	20.42	18.70	20.42	28.87	
1998	15.43	14.10	13.63	21.45	
1999	24.89	11.33 *	21.97	28.83	
2000	0.63	8.00	0.54	-3.24	
2001	-7.17	8.00	-6.66	-11.19	
2002	-8.93	8.00	-8.93	-21.51	
2003	23.79	8.00	22.00	34.68	
2004	13.80	8.00	13.27	13.00	12.77
2005	13.04	8.00	18.31 **	8.29	12.80
2006	15.57	8.00	15.45	15.61	14.98
2007	10.22	7.97 ***	9.47	1.75	9.46
2008	-27.18	8.00	-27.18	-43.71	-26.75
2009	19.12	8.00	19.12	37.57	18.47
2010	12.44	8.00	12.44	15.17	12.13
2011	2.21	8.00	2.21	-7.80	2.15
2012	14.29	8.00	14.68	18.43	14.09
2013	15.76	8.00	15.62	25.74	15.59
2014	7.29	7.75	7.24	4.29	7.05
2015	2.21	7.75	1.87	-1.61	1.85
2016	6.90	7.50	7.15	8.76	7.13
2017	15.30	7.50	15.23	26.48	14.72
2018	0.19	7.20	0.23	-10.03	****
2019	10.01	7.20	13.27	28.80	****

OIC is responsible for PERS' investments; has long history of strong performance.

50-Year Average Rates of Return (1970-2019):

Regular account earnings: 10.1%

Tier One Crediting: 9.4%

Variable Crediting: 11.0%

Avg. return on SAs 2007-2019: 7.61%

1-year earnings through 03/31/2021: 22.2%

*The PERS Board originally credited these accounts at 20%. That allocation was later reduced to 11.33% to comply with subsequent court decisions and legislative findings.

**Tier Two regular account crediting, based solely on earnings, was 13.74%. However, the PERS Board deployed \$9 million from the Capital Preservation Reserve and \$17 million from the Contingency Reserve that was added to Tier Two earnings. As a result, Tier Two was credited with a total of 18.31%. The dollars allocated from the reserves were originally withheld from Tier Two regular account earnings.

***After crediting Tier One accounts with the assumed rate of 8%, member attorney fees in the Strunk case were deducted by order of the Oregon Supreme Court, resulting in an effective crediting rate of 7.97%.

****Various Target-Date Fund returns.

Statistically Based Assessment Required

Any district contemplating issuing pension obligation bonds is required to:

- a) Obtain a statistically based assessment from an independent economic or financial consulting firm regarding the likelihood that investment returns on bond proceeds will exceed the interest cost of the bonds under various market conditions; and
- b) Make a report available to the general public that:
 - (A) Describes the results of the assessment

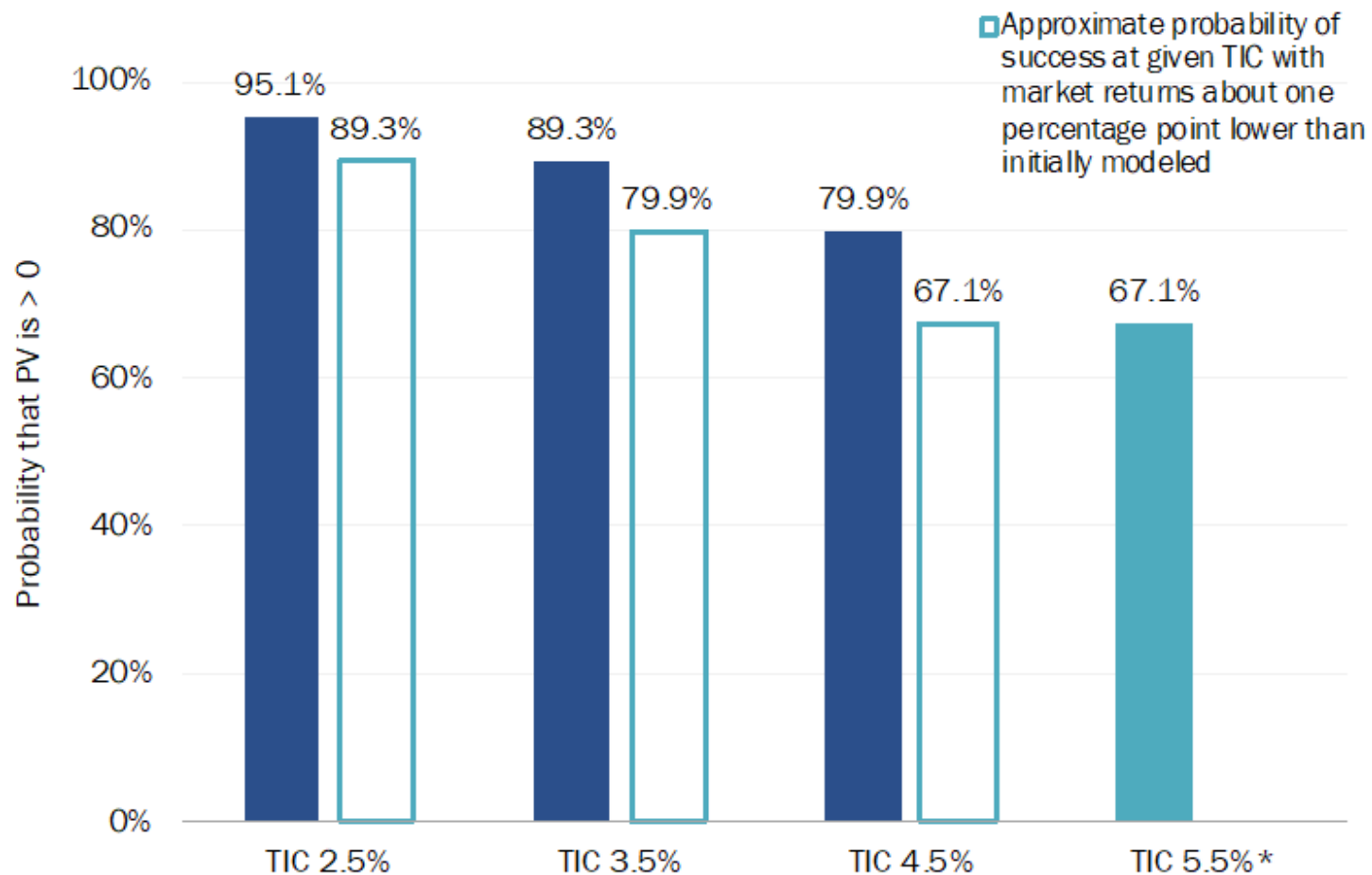
District participated in contract with ECONorthwest to conduct this assessment in January.

However...

- At March 29 PERS Board meeting, OIC and Milliman presentations suggested future returns might be lower than previously assumed.
- Original ECONorthwest assessment may not have contained latest information from Treasury, which will not be available until June.
- Assessment was revised in April by increasing borrowing rate assumptions as alternative means of assessing risk.

Revised ECONorthwest Assessment on POBs

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And there are other risks too...

- **Timing of earnings matter; early negative returns are hard to overcome, and may more than offset later positive returns.**
- **Rate credits will not be consistent:**
 - ✓ **Earnings variability will cause volatility, even if earnings rate exceeds bond rates.**
 - ✓ **SAs cause 'doubling down' of investment performance in Fund.**
 - ✓ **Particularly fast or slow growth in payroll relative to 3.50% assumption can cause increases or decreases in rate credits. If extreme and extended, may affect compounding (and potential savings).**
 - ✓ **Reductions in assumed rate can reduce rate credits, at least temporarily.**

Timing Matters

School District A

- Issued twice in 2002 (5.60% TIC) & 2003 (5.73% TIC)
- Total issuance amount: \$491,673,897
- Benefit from strong market returns prior to the 2008 great recession

School District B

- Issued twice in 2005 (4.77% TIC) & 2015 (4.15% TIC)
- Total issuance amount: \$142,135,000
- Benefit from low borrowing rate and strong early market returns

School District C

- Issued once in 2007 (5.67% TIC)
- \$41,385,000
- Combined impact of immediate negative market and payroll growth trends

Summary of Results

Actual results through December 31, 2019.

	School "A"	School "B"	School "C"
Bonds Issued	2002 (5.60% TIC) 2003 (5.73% TIC)	2005 (4.77% TIC) 2015 (4.15% TIC)	2007 (5.67% TIC)
Total Amount Borrowed	\$491,673,897	\$142,135,000	\$41,385,000
Number of SAs Funded from Bonds	2	2	1
Final SA Amort. Date(s)	12/31/2027 12/31/2027	12/31/2027 12/31/2034	12/31/2027
Remaining Value of SA(s) as of 12/31/19	\$525,839,172	\$102,606,509	\$21,223,157
Nominal Savings/(Costs) through 12/31/19	\$283,009,407	\$39,632,131	(\$2,412,217)
Additional Savings/(Costs) projected @ 7.20%	\$186,210,015	\$7,438,157	(\$7,315,014)

Bottom line...

- **Employers with SAs will have to deal with more volatility than those without.**
- **Volatility is not an indicator of whether Employer is better or worse off with POBs, but it may cause cash flow issues.**
- **It is prudent for borrowers to hold reserves to offset fluctuations.**

Numerical Analysis

Portland SD – Background Data

	2007 Valuation		2017 Valuation		2018 Valuation		2019 Valuation	
System								
Combined Valuation Payroll	\$	7,721,819,358	\$	10,098,900,000	\$	10,852,000,000	\$	11,533,700,000
OPSRP UAL (\$ in millions)		(72.1)		1,518.2		1,955.0		1,891.8
School District Pool								
Combined Valuation Payroll	\$	2,693,307,473	\$	3,314,200,000	\$	3,543,500,000	\$	3,740,700,000
Total T1/T2 UAL (\$ in millions)		1,142.8		7,752.7		9,051.6		7,880.4
Portland Public Schools No. 1J								
Combined Valuation Payroll	\$	258,327,394	\$	314,463,253	\$	356,902,791	\$	379,338,096
Payroll Increase						13.50%		6.29%
Allocated UAL/(surplus)								
T1/T2		109,611,322		735,594,609		911,675,644		799,130,951
OPSRP		(2,410,672)		47,386,819		64,443,762		62,361,478
Total Allocated Pooled UAL		107,200,650		782,981,428		976,119,406		861,492,429
Less Side Account		786,186,729		606,925,156		538,088,317		535,370,414
Net UAL	\$	(678,986,079)	\$	176,056,272	\$	438,031,089	\$	326,122,015

	2007 Valuation		2017 Valuation		2018 Valuation		2019 Valuation	
	T1/T2		T1/T2	OPSRP	T1/T2	OPSRP	T1/T2	OPSRP
Rates Effective	7/1/09 - 6/30/11		7/1/2019 - 6/30/21		Advisory Only		7/1/2021 - 6/30/23	
Pension								
Normal cost rate	5.19%	5.81%	13.79%	8.40%	13.63%	8.70%	13.45%	8.64%
Tier 1/Tier 2 UAL rate	8.82%	8.82%	16.73%	16.73%	17.05%	17.05%	14.09%	14.09%
OPSRP UAL rate	<u>(0.08%)</u>	<u>(0.08%)</u>	<u>1.45%</u>	<u>1.45%</u>	<u>1.76%</u>	<u>1.76%</u>	<u>1.69%</u>	<u>1.69%</u>
Total Pension Rate	13.93%	14.55%	31.97%	26.58%	32.44%	27.51%	29.23%	24.42%
Side account rate relief	(22.10%)	(22.10%)	(23.22%)	(23.22%)	(19.82%)	(19.82%)	(20.36%)	(20.36%)
Member redirect offset	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>(2.45%)</u>	<u>(0.70%)</u>	<u>(2.45%)</u>	<u>(0.70%)</u>
Net Pension Rate	0.00%	0.00%	8.75%	3.36%	10.17%	6.99%	6.42%	3.36%
Retiree Healthcare								
Normal cost rate	0.10%	0.00%	0.06%	0.00%	0.05%	0.00%	0.05%	0.00%
UAL rate	<u>0.19%</u>	<u>0.19%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total Retiree Healthcare Rate	0.29%	0.19%	0.06%	0.00%	0.05%	0.00%	0.05%	0.00%
Total Net Employer Rate	0.29%	0.19%	8.81%	3.36%	10.22%	6.99%	6.47%	3.36%

Source: Oregon Public Employees Retirement System – System Actuarial Valuation Reports and Employer Actuarial Valuation Reports.

Portland SD – Payroll Growth

Payroll and Payroll Growth						
Calendar Year	System		School Pool		Portland Public Schools No. 1J	
	PERS Covered Payroll	Annual Payroll Growth	PERS Covered Payroll	Annual Payroll Growth	PERS Covered Payroll	Annual Payroll Growth
2007	7,721,819,358	----	2,693,307,473	----	258,327,394	----
2008	8,130,136,492	5.29%	2,815,403,743	4.53%	261,655,598	1.29%
2009	8,512,192,290	4.70%	2,873,703,874	2.07%	264,721,365	1.17%
2010	8,750,064,502	2.79%	2,950,661,440	2.68%	280,450,614	5.94%
2011	8,550,511,000	(2.28%)	2,786,000,000	(5.58%)	261,181,186	(6.87%)
2012	8,590,879,000	0.47%	2,731,500,000	(1.96%)	250,889,737	(3.94%)
2013	8,671,800,000	0.94%	2,723,500,000	(0.29%)	248,356,156	(1.01%)
2014	9,115,800,000	5.12%	2,872,700,000	5.48%	277,853,261	11.88%
2015	9,544,100,000	4.70%	3,060,700,000	6.54%	311,657,866	12.17%
2016	9,872,600,000	3.44%	3,240,700,000	5.88%	318,721,363	2.27%
2017	10,098,900,000	2.29%	3,314,200,000	2.27%	314,463,253	(1.34%)
2018	10,852,000,000	7.46%	3,543,500,000	6.92%	356,902,791	13.50%
2019	11,533,700,000	6.28%	3,740,700,000	5.57%	379,338,096	6.29%
Average 2007-2019		3.40%	2.78%		3.25%	

Source: Oregon Public Employees Retirement System – System Actuarial Valuation Reports and Employer Actuarial Valuation Reports.

Portland SD – Historical Rate Credits and Savings

Pension Bonds Issued	Dated Date	Amount Issued	TIC
Series 2002	10/31/02	\$ 210,103,857	5.60%
Less Amount Refunded		(14,000,000)	
Series 2003	4/21/03	281,170,040	5.73%
Series 2012 Refunding	1/31/12	14,400,000	2.87%
Total Amount Issued		\$ 491,673,897	

CALENDAR Year	Pro Forma Balance January 1	Admin. Expense	Rate Credits	Bond Proceed Deposits	Investment Earnings (\$)	Investment Returns (%)	Pro Forma Balance December 31	Calendar Year Debt Service	Pension Bond Savings	PV Savings	PV Savings as Percent of Par
2004	\$ 581,599,915	\$ (2,000)	\$ (26,188,808)	\$ -	\$ 81,075,029	13.3%	\$ 636,484,136	\$ 18,088,323	\$ 8,100,486	\$ 8,100,486	
2005	636,484,136	(2,000)	(33,249,605)	-	84,143,203	13.7%	687,375,734	18,643,323	14,606,283	13,832,105	
2006	687,375,734	(2,000)	(42,341,422)	-	107,368,090	15.5%	752,400,402	24,608,323	17,733,100	15,903,102	
2007	752,400,402	(2,000)	(42,039,424)	-	75,827,752	9.5%	786,186,730	25,408,323	16,631,102	14,124,296	
2008	786,186,729	(2,000)	(51,544,798)	-	(203,230,835)	(27.2%)	531,409,096	27,603,323	23,941,476	19,255,078	
2009	531,409,097	(2,000)	(38,868,222)	-	95,661,656	19.1%	588,200,531	28,468,323	10,399,900	7,920,856	
2010	588,200,531	(2,000)	(51,189,761)	-	69,572,282	12.4%	606,581,052	30,873,323	20,316,439	14,653,425	
2011	606,581,051	(2,000)	(45,753,755)	-	15,863,183	2.2%	576,688,479	31,813,323	13,940,433	9,521,742	
2012	576,688,479	(2,000)	(47,272,658)	-	81,405,038	14.3%	610,818,859	34,266,323	13,006,336	8,412,861	
2013	610,818,860	(2,000)	(48,097,208)	-	93,800,185	15.6%	656,519,837	35,834,323	12,262,886	7,511,558	
2014	656,519,837	(2,000)	(49,807,755)	-	47,093,834	7.2%	653,803,916	38,134,323	11,673,433	6,771,494	
2015	653,803,916	(2,000)	(58,735,664)	-	13,609,514	1.9%	608,675,766	39,799,323	18,936,342	10,402,330	
2016	608,675,766	(2,000)	(61,949,774)	-	41,440,148	6.9%	588,164,140	42,314,323	19,635,452	10,214,663	
2017	588,164,140	(1,000)	(68,321,339)	-	87,083,355	15.3%	606,925,156	44,134,323	24,187,017	11,915,548	
2018	606,925,156	(1,000)	(72,444,106)	-	3,608,267	0.4%	538,088,317	46,874,323	25,569,784	11,929,092	
2019	538,088,317	(1,000)	(80,923,268)	-	68,675,124	13.6%	525,839,173	48,854,323	32,068,946	14,168,165	
Subtotal (Actual)									\$ 283,009,407	\$ 184,636,802	37.55%

Portland SD – Projected Rate Credits and Savings

FISCAL Year	Pro Forma Balance July 1	Admin. Expense	Rate Credits	Bond Proceed Deposits	Investment Earnings (\$)	Investment Returns (%)	Pro Forma Balance June 30	Fiscal Year Debt Service	Pension Bond Savings	PV Savings	PV Savings as Percent of Par
2020	\$ 531,963,745	\$ (500)	\$ (37,269,105)	\$ -	\$ 11,713,141	7.20%	\$ 506,407,781	\$ 25,929,661	\$ 11,339,444	\$ 4,744,269	
2021	506,407,781	(1,000)	(76,489,229)	-	33,525,686	7.20%	463,444,237	54,414,323	22,074,907	8,746,313	
2022	463,444,237	(1,000)	(80,564,345)	-	30,275,907	7.20%	413,155,799	57,698,323	22,866,023	8,579,567	
2023	413,155,799	(1,000)	(83,384,098)	-	26,546,916	7.20%	356,318,618	60,042,003	23,342,095	8,293,983	
2024	356,318,618	(1,000)	(86,842,030)	-	22,321,923	7.20%	291,798,510	63,716,822	23,125,208	7,781,397	
2025	291,798,510	(1,000)	(89,881,501)	-	17,559,820	7.20%	219,476,829	66,269,834	23,611,667	7,523,972	
2026	219,476,829	(1,000)	(93,027,354)	-	12,231,920	7.20%	138,681,395	70,471,269	22,556,085	6,806,641	
2027	138,681,395	(1,000)	(96,283,311)	-	6,289,684	7.20%	48,687,768	73,254,542	23,028,769	6,580,947	
2028	48,687,768	(1,000)	(49,398,098)	-	710,330	7.20%	-	35,132,281	14,265,817	3,860,672	
Subtotal (Projected)									186,210,015	62,917,759	
Total (Actual + Projected)									\$ 469,219,422	\$ 247,554,561	50.35%

Source: Oregon Public Employees Retirement System – System Actuarial Valuation Reports and Employer Actuarial Valuation Reports. Information for calendar years 2003 and prior was not readily available.

Note: Because PERS changes rates on a fiscal year basis, projected rate credits and savings are projected to match that timing.

(1) Payroll growth projected at 3.50% annually, as assumed by PERS in its actuarial models. Actual payroll growth may differ from the assumption, and any changes in payroll growth rates from the assumption will affect the actual savings or costs realized.

(2) Investment returns projected at 7.20% annually, as assumed by PERS in its actuarial models. Actual rates of return may differ from the assumption, and any changes in investment earnings will affect the actual savings or costs realized.

Portland SD – Sensitivity Analysis Summary

Scenario:	1	2	3
	Base Case: 7.20% Earnings	Assume actual earnings from 2002- 2019, then 7.20% for remainder	Assume actual earnings from 2007- 2019, then 7.20% for remainder
T1/T2 UAL Payoff	\$ 802,465,624	\$ 802,465,624	\$ 802,465,624
OPSRP UAL Payoff	60,858,770	60,858,770	60,858,770
Less: Existing Side Account	(470,057,550)	(470,057,550)	(470,057,550)
Total Payoff (projected as of 8/1/2021)	\$ 393,266,844	\$ 393,266,844	\$ 393,266,844
Years where Net Rate Credit is negative	0	0	2
Years where Net Rate Credit is positive	19	19	17
T1/T2/OPSRP Average Rate Credit	7.12%	8.29%	6.08%
Debt Cost (%)	5.40%	5.40%	5.40%
Net Savings (%)	1.71%	2.88%	0.67%
T1/T2/OPSRP UAL Payoff Savings (in millions)	\$179.0	\$306.7	\$71.2
PV Savings (in millions)	\$125.7	\$211.4	\$49.4
PV Savings %	31.96%	53.76%	12.56%

Assumes bonds sold at a TIC of **3.50%**, leading to significantly better results than District C (5.67% TIC) even with 2007 performance.

Portland SD – Base Case Scenario (7.20% Earnings)

Portland Public Schools No. 1J - Projected Rate Credits and Pension Bond Savings

(New Payoff Date: 08/01/21, Payoff Amount: \$393,266,844)

Fiscal Year	Side Account		Earnings ⁽¹⁾				Side Account	Bond Debt Service		Savings		
	Balance July 1	Deposit 8/1/21	Credit (%)	Rate Credit (\$)	Investment Earnings (\$)	Investment Returns (%)	Balance June 30	Debt Service (\$) ⁽²⁾	Debt Cost (%)	Savings (\$)	Savings (%)	
2022	-	393,266,844	6.74%	26,928,819	24,927,059	7.20%	391,265,084	20,442,024	5.12%	6,486,794	1.62%	
2023	391,265,084	-	7.34%	30,361,773	27,005,794	7.20%	387,909,106	23,046,700	5.57%	7,315,073	1.77%	
2024	387,909,106	-	7.34%	31,424,435	26,723,379	7.20%	383,208,050	23,857,350	5.58%	7,567,085	1.77%	
2025	383,208,050	-	7.34%	32,524,290	26,342,690	7.20%	377,026,450	24,693,100	5.58%	7,831,190	1.77%	
2026	377,026,450	-	7.34%	33,662,640	25,853,924	7.20%	369,217,735	25,556,675	5.58%	8,105,965	1.77%	
2027	369,217,735	-	7.34%	34,840,832	25,246,478	7.20%	359,623,380	26,450,625	5.58%	8,390,207	1.77%	
2028	359,623,380	-	7.34%	36,060,261	24,508,882	7.20%	348,072,001	27,372,325	5.57%	8,687,936	1.77%	
2029	348,072,001	-	7.34%	37,322,371	23,628,743	7.20%	334,378,373	28,334,150	5.58%	8,988,221	1.77%	
2030	334,378,373	-	7.34%	38,628,654	22,592,666	7.20%	318,342,385	29,322,950	5.58%	9,305,704	1.77%	
2031	318,342,385	-	7.34%	39,980,656	21,386,185	7.20%	299,747,914	30,350,925	5.58%	9,629,731	1.77%	
2032	299,747,914	-	7.34%	41,379,979	19,993,677	7.20%	278,361,611	31,414,750	5.58%	9,965,229	1.77%	
2033	278,361,611	-	7.34%	42,828,279	18,398,277	7.20%	253,931,609	32,511,100	5.58%	10,317,179	1.77%	
2034	253,931,609	-	7.34%	44,327,268	16,581,785	7.20%	226,186,125	33,651,650	5.58%	10,675,618	1.77%	
2035	226,186,125	-	7.34%	45,878,723	14,524,565	7.20%	194,831,967	34,827,550	5.58%	11,051,173	1.77%	
2036	194,831,967	-	7.34%	47,484,478	12,205,436	7.20%	159,552,925	36,045,125	5.57%	11,439,353	1.77%	
2037	159,552,925	-	7.34%	49,146,435	9,601,559	7.20%	120,008,049	37,310,350	5.58%	11,836,085	1.77%	
2038	120,008,049	-	7.34%	50,866,560	6,688,309	7.20%	75,829,798	38,613,850	5.58%	12,252,710	1.77%	
2039	75,829,798	-	7.34%	52,646,890	3,439,146	7.20%	26,622,054	39,966,425	5.58%	12,680,465	1.77%	
2040	26,622,054	-	3.64%	27,010,456	388,402	7.20%	0	20,503,350	2.76%	6,507,106	0.88%	
TOTAL FY 2018-2038		\$ 393,266,844		\$ 743,303,799	\$ 350,036,955			\$ 564,270,974		\$ 179,032,824		
										PRESENT VALUE SAVINGS⁽³⁾:	\$ 125,704,305	31.96%

(1) Preliminary, based on market conditions as of February 19, 2021. Reflects a True Interest Cost (TIC) of 3.50%.

(2) Estimated present value savings discounted at the TIC on a monthly discounting of side account payments and semiannual discounting of bond payments. Percent savings shown at far right are Net PV Savings as a percentage of the payoff amount.

Portland SD – 2002 Scenario

Portland Public Schools No. 1J - Projected Rate Credits and Pension Bond Savings

(New Payoff Date: 08/01/21, Payoff Amount: \$393,266,844)

Fiscal Year	Side Account		Earnings ⁽¹⁾				Side Account	Bond Debt Service		Savings	
	Balance July 1	Deposit 8/1/21	Credit (%)	Rate Credit (\$)	Investment Earnings (\$)	Investment Returns (%)	Balance June 30	Debt Service (\$) ⁽²⁾	Debt Cost (%)	Savings (\$)	Savings (%)
2022	-	393,266,844	6.74%	26,928,819	75,791,988	22.00%	442,130,013	20,442,024	5.12%	6,486,794	1.62%
2023	442,130,013	-	7.34%	30,361,773	56,541,334	13.27%	468,309,575	23,046,700	5.57%	7,315,073	1.77%
2024	468,309,575	-	7.76%	33,186,269	61,937,461	13.74%	497,060,767	23,857,350	5.58%	9,328,919	2.18%
2025	497,060,767	-	7.76%	34,347,789	73,999,670	15.45%	536,712,648	24,693,100	5.58%	9,654,689	2.18%
2026	536,712,648	-	9.18%	42,095,525	48,708,597	9.47%	543,325,720	25,556,675	5.58%	16,538,850	3.61%
2027	543,325,720	-	9.18%	43,568,868	(140,984,416)	(27.18%)	358,772,435	26,450,625	5.58%	17,118,243	3.61%
2028	358,772,435	-	10.63%	52,170,522	63,367,102	19.12%	369,969,016	27,372,325	5.57%	24,798,197	5.05%
2029	369,969,016	-	10.63%	53,996,490	42,470,054	12.44%	358,442,580	28,334,150	5.58%	25,662,340	5.05%
2030	358,442,580	-	7.56%	39,746,621	7,449,873	2.21%	326,145,831	29,322,950	5.58%	10,423,671	1.98%
2031	326,145,831	-	7.56%	41,137,753	44,692,788	14.68%	329,700,866	30,350,925	5.58%	10,786,828	1.98%
2032	329,700,866	-	7.70%	43,392,471	47,867,229	15.60%	334,175,624	31,414,750	5.58%	11,977,721	2.13%
2033	334,175,624	-	7.70%	44,911,207	22,336,942	7.20%	311,601,360	32,511,100	5.58%	12,400,107	2.13%
2034	311,601,360	-	8.43%	50,855,811	5,401,293	1.90%	266,146,842	33,651,650	5.58%	17,204,161	2.85%
2035	266,146,842	-	8.43%	52,635,764	16,427,290	6.90%	229,938,367	34,827,550	5.58%	17,808,214	2.85%
2036	229,938,367	-	8.83%	57,101,928	30,576,152	15.30%	203,412,591	36,045,125	5.57%	21,056,803	3.26%
2037	203,412,591	-	8.83%	59,100,496	720,672	0.42%	145,032,767	37,310,350	5.58%	21,790,146	3.26%
2038	145,032,767	-	8.98%	62,227,693	15,208,731	13.56%	98,013,806	38,613,850	5.58%	23,613,843	3.41%
2039	98,013,806	-	8.98%	64,405,662	4,585,090	7.20%	38,193,233	39,966,425	5.58%	24,439,237	3.41%
2040	38,193,233	-	5.22%	38,750,453	557,220	7.20%	-	20,503,350	2.76%	18,247,103	2.46%
TOTAL FY 2018-2038		\$ 393,266,844		\$ 870,921,915	\$ 477,655,070			\$ 564,270,974		\$ 306,650,940	
PRESENT VALUE SAVINGS⁽³⁾:										\$ 211,402,930	53.76%

(1) Preliminary, based on market conditions as of February 19, 2021. Reflects a True Interest Cost (TIC) of 3.50%.

(2) Estimated present value savings discounted at the TIC on a monthly discounting of side account payments and semiannual discounting of bond payments. Percent savings shown at far right are Net PV Savings as a percentage of the payoff amount.

Portland SD – 2007 Scenario

Portland Public Schools No. 1J - Projected Rate Credits and Pension Bond Savings

(New Payoff Date: 08/01/21, Payoff Amount: \$393,266,844)

Fiscal Year	Side Account		Earnings ⁽¹⁾				Side Account	Bond Debt Service		Savings		
	Balance July 1	Deposit 8/1/21	Credit (%)	Rate Credit (\$)	Investment Earnings (\$)	Investment Returns (%)	Balance June 30	Debt Service (\$) ⁽²⁾	Debt Cost (%)	Savings (\$)	Savings (%)	
2022	-	393,266,844	6.74%	26,928,819	(95,368,193)	(27.18%)	270,969,832	20,442,024	5.12%	6,486,794	1.62%	
2023	270,969,832	-	7.34%	30,361,773	48,765,610	19.12%	289,373,670	23,046,700	5.57%	7,315,073	1.77%	
2024	289,373,670	-	6.24%	26,691,179	34,241,250	12.44%	296,923,741	23,857,350	5.58%	2,833,829	0.66%	
2025	296,923,741	-	6.24%	27,625,371	6,234,160	2.21%	275,532,530	24,693,100	5.58%	2,932,271	0.66%	
2026	275,532,530	-	5.58%	25,583,155	38,467,194	14.68%	288,416,569	25,556,675	5.58%	26,480	0.01%	
2027	288,416,569	-	5.58%	26,478,566	42,816,908	15.60%	304,754,911	26,450,625	5.58%	27,941	0.01%	
2028	304,754,911	-	5.54%	27,225,171	20,897,445	7.20%	298,427,185	27,372,325	5.57%	(147,154)	(0.03%)	
2029	298,427,185	-	5.54%	28,178,052	5,382,477	1.90%	275,631,610	28,334,150	5.58%	(156,098)	(0.03%)	
2030	275,631,610	-	6.26%	32,918,943	17,807,260	6.90%	260,519,927	29,322,950	5.58%	3,595,993	0.68%	
2031	260,519,927	-	6.26%	34,071,106	37,112,223	15.30%	263,561,044	30,350,925	5.58%	3,720,181	0.68%	
2032	263,561,044	-	6.03%	33,992,052	1,030,080	0.42%	230,599,072	31,414,750	5.58%	2,577,302	0.46%	
2033	230,599,072	-	6.03%	35,181,774	28,748,970	13.56%	224,166,268	32,511,100	5.58%	2,670,674	0.46%	
2034	224,166,268	-	6.27%	37,867,689	14,686,601	7.20%	200,985,180	33,651,650	5.58%	4,216,039	0.70%	
2035	200,985,180	-	6.27%	39,193,058	12,966,694	7.20%	174,758,816	34,827,550	5.58%	4,365,508	0.70%	
2036	174,758,816	-	6.50%	42,044,657	10,968,951	7.20%	143,683,110	36,045,125	5.57%	5,999,532	0.93%	
2037	143,683,110	-	6.50%	43,516,219	8,675,021	7.20%	108,841,912	37,310,350	5.58%	6,205,869	0.93%	
2038	108,841,912	-	6.60%	45,705,169	6,082,443	7.20%	69,219,186	38,613,850	5.58%	7,091,319	1.02%	
2039	69,219,186	-	6.60%	47,304,850	3,168,210	7.20%	25,082,546	39,966,425	5.58%	7,338,425	1.02%	
2040	25,082,546	-	3.31%	24,556,699	416,403	7.20%	942,250	20,503,350	2.76%	4,053,349	0.55%	
TOTAL FY 2018-2038		\$ 393,266,844		\$ 635,424,302	\$ 243,099,708			\$ 564,270,974		\$ 71,153,328		
										PRESENT VALUE SAVINGS⁽³⁾:	\$ 49,389,843	12.56%

(1) Preliminary, based on market conditions as of February 19, 2021. Reflects a True Interest Cost (TIC) of 3.50%.

(2) Estimated present value savings discounted at the TIC on a monthly discounting of side account payments and semiannual discounting of bond payments. Percent savings shown at far right are Net PV Savings as a percentage of the payoff amount.

Financing timeline

- **May 11: Board Considers Resolution**
- **April-June: Development of Disclosure Document, Rating**
- **Wk of May 24th: Due diligence and rating calls**
- **June 30: Bond Sale**
- **July 15: Closing, funds sent to PERS**
- **August 1: Payroll rates reduced.**

Questions



Contacts

PIPER | SANDLER

Realize the power of partnership.

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Southeast Enrollment and Program Balancing

Phase 2 Scope, Timeline and Process

PPS Board of Directors Discussion

May 11, 2021



- Board sets charge for SE Guiding Coalition
- Middle school students access to equitable programming
- Focused on equity for BIPOC student experience by balancing middle schools in SE Portland



Phase 2 Scoping Exercise Recommendations

Assign attendance areas and DLI programs from existing middle schools to Harrison Park

- Bridger neighborhood now split between Kellogg and Harrison Park
- Plan for future enrollment decreases

Adjust boundaries and DLI program locations to address low enrollment at Lane Middle School

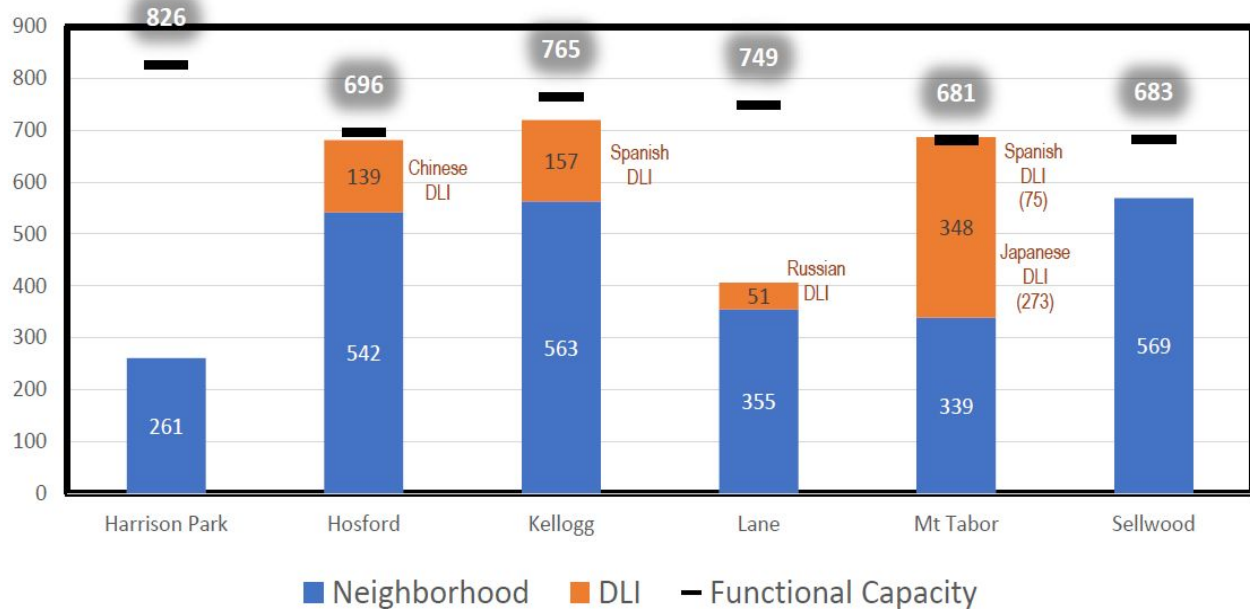


PPS Southeast Middle Grades (6-8) 2021-22 Projected Enrollment

Total SE middle school capacity is **4,400**.

Total enrollment is **3,324**, utilizing **76%** of capacity.

Neighborhood program enrollment is **2,629** and dual language immersion (DLI) enrollment is **695**.



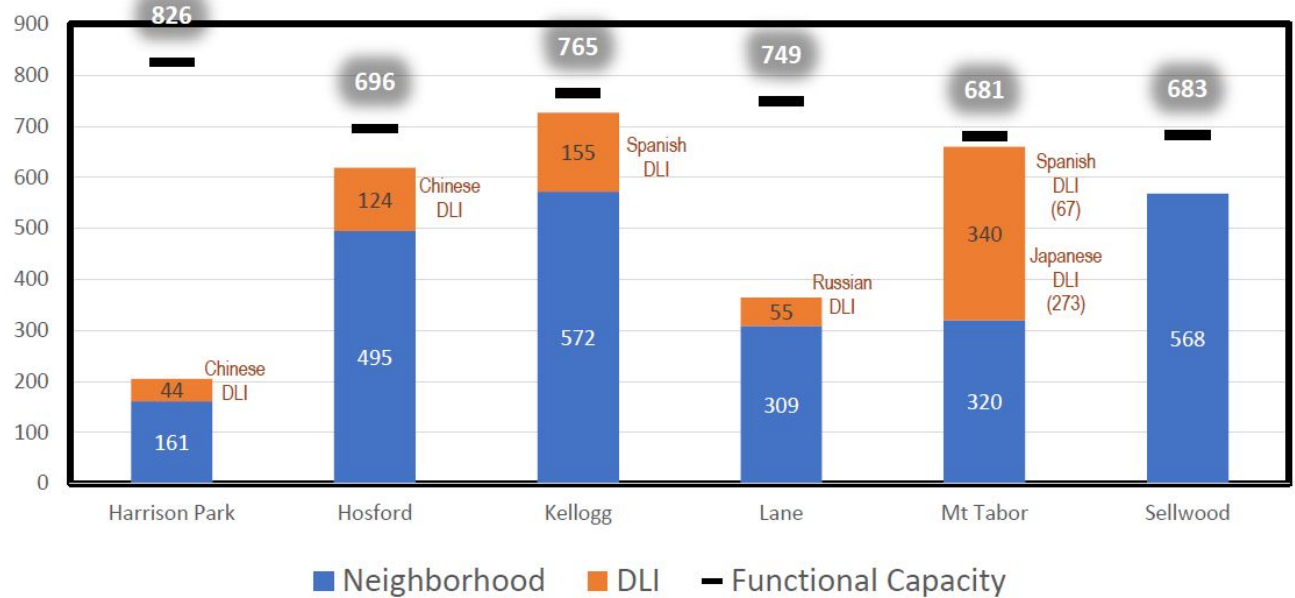


PPS Southeast Middle Grades (6-8) 2025-26 Projected Enrollment

Total SE middle school capacity is **4,400**.

Total enrollment is **3,143**, utilizing **71%** of capacity.

Neighborhood program enrollment is **2,245** and dual language immersion (DLI) enrollment is **718**.





Phase 2 Scoping Exercise Recommendations

Relocate Harrison Park K-5 students

- Center BIPOC family needs and honor value of keeping cohorts together
- Consider returning Clark to a neighborhood school by reconfiguring/relocating Creative Science School

Most other K-5 enrollment imbalances would not be addressed in this phase of work

METHODS

Paseo Protocol

Empathy Interview

Composite User

Brainstorm

Looks Like/
Works Like

User Testing

Equity Pause

Notice Tool

AEIOU

POV MadLib

Brainwrite

Rapid Prototyping

Role Play Testing

Reflect Write

Constructivist Listening

Immersion

HMW

Constraints

Build to Learn

Storytelling

Dyad Convo

Levers

Need Statement

Think Aloud

Dyad Testing

EMPATHIZE

IDEATE

NOTICE

DEFINE

PROTOTYPE

TEST

REFLECT

Build Relational Trust

Liberatory Collaboration

Focus on Human Values

Focus on Human Values

Craft Clarity

Bias Toward Experimentation

Liberatory Collaboration

Focus on Human Values

Practice Self-Awareness

Embrace Complexity

Embrace Complexity

Build Emotional Trust

Bias Toward Action

Craft Clarity

Practice Self-Awareness

Notice Bias + Power

Practice Self-Awareness

Build Relational Trust

Practice Self-Awareness

Embrace Complexity

Embrace Complexity

Define Bias + Power

Show Don't Tell

Bias Toward Experimentation

Craft Clarity

MINDSETS

5 Elements of Enrollment & Program Balancing | Phase 2



PORTLAND PUBLIC SCHOOLS



1

LAUNCH



Understand the charge



Review goals & charter



Grounding, understanding, & capacity building

2

LEARN



Continue defining RESJ



Notice and identify top needs for students



Listen to experiences with key topics

3

BRAINSTORM



Brainstorm outcomes with RESJ

Spring 2021

Summer 2021



4

TESTING

5

RECOMMEND



Draft and test
various solutions



Collaboration for
input from
community



Build consensus on a
Phase 2
recommendation

Fall 2021





Student Voice and Community Engagement Framework | Phase 2

<p>Honor student and community intelligence, and lessen dominant inequities with counter narratives.</p> <p>Cognition</p>	<p>Organize young people, and acknowledge the social and political contexts they learn and live in.</p> <p>Capabilities</p>	<p>Be responsive and accountable with thought partnership and accessible design.</p> <p>Confidence</p>	<p>Use multiple engagement methods incorporating technology, and uplift BIPOC student and family voices.</p> <p>Connections</p>
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PPS Stakeholders

PPS principals, central office staff, and FLO Analytics will work to ground the process on the following sets of stakeholders:

- Students, Families, and Community Members
- SE Guiding Coalition
- RESJ Partners





Engagement Methods

Website

Survey

Honor student and community intelligence, and lessen dominant inequities with counter narratives

Text Messaging

Organize young people, and acknowledge the social and political contexts they learn and live in

Student Forums

Be responsive and accountable with thought partnership and accessible design

Focus Groups

Use multiple engagement methods incorporating technology, and uplift BIPOC student and family voices

Open House

RESJ Partners Advisory

Tribal Community Engagement

School-hosted Parent Meetings





Instructional Leaders Role

- Will play a prominent role in the process using racial equity and social justice as a bedrock
- Principals will share experience about scheduling, programs, supporting BIPOC students and daily operational perspectives
- Central Office Instructional leaders will advise on programs and enrollment targets
- MS Redesign process will continue through the 2021-22 school year



Board Discussion

Based on what we heard from you in our previous work session, staff have developed a draft charge.

Does this scope and charge deliver what is needed?





PORTLAND PUBLIC SCHOOLS
OFFICE OF THE DEPUTY SUPERINTENDENT

501 North Dixon Street / Portland, OR 97227
Telephone: (503) 916-3205 / Fax: (503) 916-3699

Date: May 11, 2021

To: School Board

From: Claire Hertz, Deputy Superintendent, Business and Operations
Dr. Esther Omogbehin, Regional Superintendent
Dani Ledezma, Senior Advisor, Racial Equity and Social Justice
Shanice Clarke, Director, Community Engagement
Judy Brennan, Director, Enrollment and Transfer

Subject: Scope and timing options for Southeast enrollment balancing Phase 2 draft charge

BACKGROUND

In June of 2019, the Portland Public Schools (PPS) Board of Education adopted an ambitious vision, *PPS reimagined*, co-constructed by a broad coalition of students, staff, and community stakeholders, that provides an aspirational North Star, core values, and direction to guide the transformation of our school system. While PPS engages in multi-pronged efforts to improve student outcomes through the implementation of academic strategies and social-emotional support for our students, the district also has several system issues related to the use of its physical facilities that impact student success. To address these issues, the Board of Education and the Superintendent launched an enrollment and program balancing process, contracting with FLO Analytics to lead data analysis and modeling, and co-develop community engagement strategies.

In February 2020 the Board adopted in Resolution 6059 a scope of work for a first phase of the charge which addressed schools in the southeast quadrant of the district, due to a high number of small K-8 neighborhood schools and the imminent opening of Kellogg Middle School.

Drawn from our community-created vision, Partnerships and Collaboration is a core value that shaped the overall design and roles for the Phase 1 process. A Southeast Guiding Coalition (SEGC) comprised of parents, guardians, principals, students, met twelve times in Fall 2020, gaining a shared understanding of district-wide enrollment and program data and racial equity and social justice tools before launching into an iterative review of more than a dozen boundary change and program relocation scenarios. The SEGC considered feedback from hundreds of community stakeholders gathered through surveys, focus groups, and individual submissions and hosted a virtual open house attended by more than 800 community members. On

December 17, 2020, they submitted a recommendation for Kellogg Middle School feeder schools and programs.

On January 26, 2021, the Board of Education approved a modified version of the SEGC recommendation, converting Bridger and Creston to K-5 schools, while keeping Spanish Immersion at Mt. Tabor and limiting transfers into Kellogg. Four weeks later, the Board held a three-hour worksession to consider the next phase of enrollment balancing work in the context of other district initiatives. Directors maintained a strong resolve to open Harrison Park Middle School in 2022-23, while agreeing to limit other enrollment balancing work in order to preserve staff and community resources for other vital initiatives, including safely returning to schools full-time, planning the Center for Black Student Excellence, middle school redesign, and strategic planning.

This report provides results of an exercise in narrowing the Phase 2 scope of work, including timing options and a staff recommendation.

RELATED POLICIES/BEST PRACTICES

Related Policy: 4.10.045-P Student Assignment to Neighborhood Schools

ANALYSIS OF SITUATION

The Phase 2 scoping exercise began with recognition of unresolved issues from Phase I, including:

- No middle school assignment for Harrison Park and Bridger neighborhood students
- Widespread enrollment imbalances across SE elementary, middle and high schools, with notable instances of under-enrollment and overcrowding at all levels
- Single-strand neighborhood or immersion programs at several schools
- Forecasts for declining enrollment in the region that will exacerbate the impact of under-enrollment at small schools and single-strand programs in the next five years

In keeping with Board direction for narrowing the scope of Phase 2, the team developed four possible levels of middle school-focused work, leaving most elementary and high school enrollment challenges for a later phase. The team also contemplated the impact of postponing the restart of any enrollment balancing process until January 2022 at the earliest, which would result in Harrison Park remaining a K-8 until the 2023-24 school year.

A summary of the scoping exercise process, including key questions from SEGC members is attached to this report along with charts, tables and maps with enrollment, demographic, program and boundary data used in the scoping exercise.

FOCUS ON HARRISON PARK

The exercise showed that even a narrow process focused on opening Harrison Park Middle School (Level 2 in the attached document) will still be very intensive and require the involvement of many stakeholder groups. Since all neighborhood K-8 schools, with the exception of Harrison Park, were converted to K-5s in Phase 1, new Harrison Park MS students will need to come from neighborhoods currently assigned to other middle schools. This could entail major changes to the SE middle school landscape, including assigning elementary schools to different MS feeder patterns (even those recently assigned to Kellogg) and/or re-location of middle school-level dual language immersion programs. Additionally, assigning the Kellogg building and nearby blocks into the Kellogg and feeder school boundaries will be a priority for Phase 2.

To make space for new middle schoolers, Harrison Park K-5 students must move to a different school. Community members have requested that Clark building return to service as their neighborhood school so K-5 students can remain together and attend a school that is close to the Harrison Park building and walkable for many families. Opening Clark for neighborhood students requires the relocation and/or reconfiguration of Creative Science School, which currently serves 450 K-8 students, about one third of whom reside in the adjacent Bridger, Harrison Park and Vestal neighborhoods.

The team recommends that Harrison Park-focused Phase 2 include SE Guiding Coalition representatives from 16 schools, including those with dual language immersion programs that could be impacted by the opening of Harrison Park Middle School.

LANE MIDDLE SCHOOL

It became clear during the scoping exercise that bringing in four additional K-5 schools would allow the scope to broaden to include Lane Middle School. A list of proposed representatives for a Harrison Park and Lane-focused Phase 2 of the SE Guiding Coalition is attached.

Lane has had the lowest middle school enrollment in the region for many years, and, like Harrison Park, serves a high rate of historically underserved students. ACCESS Academy is expected to move out of Lane by the end of the 2021-22 school year, making space for additional Lane students.

Increasing enrollment at Harrison Park and Lane through changes to other SE middle schools will create improved conditions for implementing Middle School Redesign. This important initiative was launched earlier this year, and called out by board members during the February 22 worksession as a priority initiative for fall 2021.

The process is anchored to the middle school philosophy, and advocates that students are able to explore and establish their own identity. This can be accomplished by ensuring students have access to a variety of electives and avenues for exploring their interests. There will be opportunities for project-based learning that deepens students' understanding and extends learning through application in authentic settings.

Rethinking middle school also emphasizes the need to honor the whole child and build upon their physical, mental, and emotional well-being. Middle School Redesign connects PPS Reimagined and the emerging strategic plan's priorities and goals to the middle school experience. Enrollment and program balancing will be informed by middle school enrollment targets, developed in collaboration with Middle School Redesign.

ENROLLMENT PRIORITIES NOT INCLUDED IN PHASE 2

At the February 22 worksession, board members indicated an interest in deferring major high school enrollment changes to a district-wide process, which would begin after plans have been drawn up for the Center for Black Student Excellence. While high school students, parents and staff will not be part of the SE Guiding Coalition in Phase 2, we will seek out their input during the community engagement portions of the process.

Similarly, concerns about low enrollment at several K-5 schools and single-strand K-5 neighborhood and Immersion programs will be addressed in a later phase of enrollment balancing work. While these serious issues will not be the focus of Phase 2, the SEGC can consider options that may improve enrollment conditions at any schools, even as they focus on

Harrison Park and Lane. Stakeholders from all schools are welcomed to offer feedback to SEGC proposals.

FISCAL IMPACT

With the transition to a model of comprehensive middle schools in the SE region, there will be facility upgrades needed in schools with increasing enrollment. The 2020 Bond program includes an allocation to support enrollment and capacity needs as Phase 2 is completed.

Staffing schools is based on enrollment, and allocations will follow the students as they are assigned to neighborhood and program-based schools. Most likely, there will not be significant operational staffing costs as changes are made for the region. There will be initial costs for setting up expanded elective programs for the middle schools with increasing enrollment.

COMMUNITY ENGAGEMENT

With the thought partnership of the SEGC, students, families, and community members, a diverse set of perspectives will help shape a recommendation from the SEGC. Racial Equity and Social Justice shapes the engagement design to help realize our vision, PPS reimagined.

SEGC Engagement Phases

1. Launch: Grounding, understand the charge, and review charter and goals.
2. Learn: Continue defining RESJ, identify top student needs, listen to school experiences.
3. Brainstorm: Brainstorm outcomes with RESJ
4. Testing: Collaboration for input from community, draft and test various solutions.
5. Recommend: Complete a recommendation process on a SEGC Phase 2 recommendation

Engagement Methods

- Website
- Survey
- Text Messaging
- Student Forums
- Focus Groups
- Open House
- RESJ Partners Advisory
- Tribal Community Engagement
- School-hosted Parent Meetings

Timeline

Community Outreach	Month	Phase 2 Element
<p style="text-align: center;">Launch</p> <ul style="list-style-type: none"> ● Website (continuous) ● Surveying input from families ● Social media (continuous) ● Texting ● Principal’s messages (continuous) ● Public SE Guiding Coalition Meetings 	May	Launch

<p style="text-align: center;">Learn</p> <ul style="list-style-type: none"> • Continuing awareness with opportunities to share general feedback • Results from messages and surveys prioritizing black families, indigenous families, and families of color • Results from online survey of broader PPS community • Student Forum and BIPOC focus groups • Feedback on virtual open house 	<p>May-June</p>	<p>Learn</p>
<p style="text-align: center;">Brainstorm</p> <ul style="list-style-type: none"> • Continuing awareness with opportunities to share general feedback • Outreach to focus groups (black and indigenous, Spanish speaking, Chinese Speaking, teachers, students) 	<p>Fall 2021</p>	<p>Brainstorm</p>
<p style="text-align: center;">Test</p> <ul style="list-style-type: none"> • Board of Education Public Worksession 	<p>Fall 2021</p>	<p>Testing</p>
<p style="text-align: center;">Recommend</p> <ul style="list-style-type: none"> • Continued Stakeholder Engagement • School Site-based Engagement • Public Comment to the Board of Education 	<p>December</p>	<p>Recommend</p>

TIMELINE FOR IMPLEMENTATION/EVALUATION

The majority of this process would happen this fall, with an SEGC recommendation ready for Board consideration by December 2021. See the attached draft schedule for details.

BOARD OPTIONS WITH ANALYSIS

As an alternative to the proposed scope of work, the Board could postpone the start of the next phase of SE enrollment and program balancing until early 2022. Deferring the process would preserve community and staff capacity this fall for other important initiatives described during the February 22, 2021 worksession. It would also mean that the full range of SE K-8 enrollment challenges could be addressed together, instead of in multiple phases, and be better aligned with the implementation of middle school redesign.

However, the cost of deferring will be borne by Harrison Park and Bridger neighborhood middle grade students who will not have access to a full middle school until the 2023-24 school year, two years after students from Arleta, Creston, Lent and Marysville. Given the importance the Board has placed on accelerating access to middle schools, particularly for BIPOC students, staff recommends the process begin this spring, in time for implementation in Fall 2022.

STAFF RECOMMENDATION

Staff recommends that Phase 2 of SE enrollment and program balancing launch in May 2021, with a focus on opening Harrison Park Middle School, relocating Harrison Park K-5, most likely

into the Clark building where the Creative Science School is now located, and increasing enrollment at Lane Middle School. A Guiding Coalition of stakeholders from potentially impacted schools and programs, along with representatives from community partner organizations and PPS departments will convene in Spring 2021 and complete a recommendation by the end of December 2021.

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

Claire Hertz
Deputy Superintendent
Portland Public Schools

Date

ATTACHMENTS

- A. SEGC Phase 2 Scoping Options
- B. SE School Enrollment and Utilization- baseline data
- C. SE Middle School enrollment forecasts-2021-22 and 2025-26
- D. 2021-22 PPS school boundary map
- E. 2021-22 PPS boundary change and middle school enrollment map
- F. List of proposed SEGC schools, partners and supporting departments
- G. Draft SEGC Phase 2 charge
- H. Draft SEGC Phase 2 community engagement overview and timeline



Charge for the SE Guiding Coalition - Phase 2:

The Coalition will propose revisions to attendance area boundaries and specialized program locations, including dual language immersion, special education focus option, and pre-k, in order to support equitable access to programs and services. Specifically, the Coalition will recommend:

- Attendance area and special program assignments for Harrison Park Middle School
- A plan to relocate K-5 students and programs currently served at Harrison Park
- A plan to increase enrollment at Lane Middle School

The Coalition will strive to support racial equity, social justice, Middle School Redesign, balanced enrollment, and optimized facilities for the 2022-23 school year and beyond. To inform their work the Coalition will become familiar with current and forecast enrollment data and student demographic and facility utilization information. In addition, PPS staff will provide guidance on preferred locations and configurations of dual language immersion programs, special education services, focus option programs, and pre-K services. SEGC Phase 2 will also be informed by middle school enrollment targets, developed in collaboration with Middle School Redesign.

PPS has launched a Middle School Redesign process anchored to the middle school philosophy. It advocates that students are able to explore and establish their own identity. This can be accomplished by ensuring students have access to a variety of electives and avenues for exploring their interests. There will be opportunities for project-based learning that deepens students' understanding and extends learning through application in authentic settings.

Rethinking middle school also emphasizes the need to honor the whole child and build upon their physical, mental, and emotional well-being. Middle School Redesign connects PPS ReImagined and the emerging strategic plan's priorities and goals to the middle school experience.

The Coalition will receive feedback on their proposals via two virtual public open houses and additional listening opportunities with key stakeholders. The Coalition will provide a recommendation to the Deputy Superintendent on, or before, the last committee meeting in December, 2021. The Deputy Superintendent will be responsible for evaluating the Coalition's recommendations and bringing a proposal forward to the Portland Public School Board of Directors at the first board meeting in January 2022.

Guiding Principles

Core values serve as guiding principles for the SE Guiding Coalition throughout the enrollment and program balancing process. Guiding principles are not prioritized and are all important to promote.

When considering enrollment and program balancing the Coalition will stand for the following core values, as stated in the PPS Vision:

- Students at the center
- Racial equity and social justice



Enrollment & Program Balancing **DRAFT** SE Guiding Coalition Charge for Phase 2

- Honesty and integrity
- Excellence
- Respect
- Relationships
- Creativity and innovation
- Partnerships and collaboration
- Grounded in the spirit of Portland
- Joyful learning and leadership

Outcome Goals

The following outcome goals are derived from Board Resolution No. 6059 and tactics have been developed to meet the specific scope of this phase of work.

Outcome Goal: Support equitable programming to improve the middle school experience, particularly at Harrison Park and Lane middle schools. In order to meet this goal, the SE Guiding Coalition will current and forecast enrollment data, student demographic and facility utilization information, programs needs and middle school enrollment targets to:

- Balance students across SE middle schools, ensuring Harrison Park and Lane middle schools have sufficient enrollment to offer full programming. This may be accomplished through boundary adjustments, whole-school feeder pattern changes, and specialized program movement.
- Realign middle school boundaries so that the Kellogg building is located within its own attendance area.
- Determine the future location for Harrison Park K-5 students, and related boundary changes and specialized program moves.

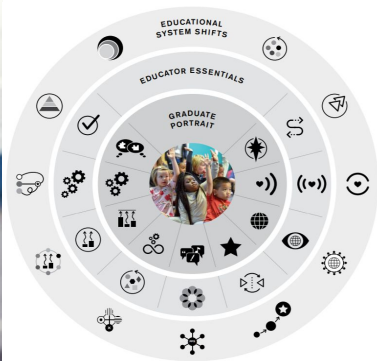
Enrollment & Program Balancing Phase 2

Centering the Experience of Black,
Native, and Students of Color Through
A Racial Equity Design Process





Racial Equity and Social Justice within Portland Public Schools



PPS reImagined

Preparing Our Students to Lead Change and Improve the World

Core Values

Our enduring beliefs that will guide our actions toward our collective vision.

Graduate Portrait

A clear and ambitious picture of what the community wants our students to know, be, and be able to do, in order to prepare them to thrive.

Educator Essentials

The knowledge, skills, mindsets, and dispositions needed from every adult to support the Graduate Profile in every PPS student.

Educational System Shifts

Changes to our priorities and operations that will help create the conditions for adults to do their best work in realizing the Graduate Profile in every student.

Racial Equity and Social Justice at Portland Public Schools



Core Value

We believe in the fundamental right to human dignity and that generating an equitable world requires an educational system that intentionally disrupts—and builds leaders to disrupt—systems of oppression.



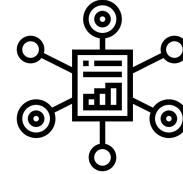
Policy

In 2011, Portland Public Schools launched a Racial Educational Equity Policy and Five Year Plan to change its practices to eliminate the racial predictability and disproportionality of which student groups occupy the highest and lowest achievement categories



Lens

Our Racial Equity and Social Justice Lens is a transformative quality improvement tool used to improve planning, decision-making, and resource allocation leading to more racially equitable policies and programs.



Framework & Plan

The RESJ framework and plan intends to build on the successes of the initial equity plan while also critically examining opportunities to increase the effectiveness of Racial Equity and Social Justice practices through organizational change and system wide coordination.



Phase 2

In the second phase of the enrollment & program balancing process, Portland Public Schools will continue the multi-year process to develop a plan to balance student enrollment and programs across our district, which serves nearly 50,000 students in 81 schools. Enrollment and Program Balancing uses both a data-driven analysis process and community input to address needs such as equity and inclusion, transportation, facilities constraints, and much more.

**Preparing Our Students
to Lead Change and
Improve the World.**



Enrollment & Program Balancing | Phase 2

Beliefs, Values, and Commitments

Partnerships & Collaboration

We believe that together, we know and can achieve a great deal, and that by leveraging the collective actions of a group of committed stakeholders, we can achieve our Vision.

Racial Equity & Social Justice

We believe in the fundamental right to human dignity and that generating an equitable world requires an educational system that intentionally disrupts—and builds leaders to disrupt—systems of oppression.

Recognize Complexity

We need to resist Either Or Thinking, the urge to think of things in dualities the right way and the wrong way and assigning whole communities to one or the other. Instead we have to create meaningful space for dialogue and consideration that there are multiple experiences and multiple perspectives.

Student-Centered Outcomes

A Sense of Urgency makes it difficult to take time to be inclusive, to encourage thoughtful decision-making, to think long-term, to consider consequences. Instead we are making adjustments to our plans, process and timelines to make space for thoughtful participation and deliberation in order to more fully contend with the complex and interdependent set of decisions to be made.

Encourage Dialogue and Discussion

We encourage one another to resist the Fear of Open Conflict that may manifest when hearing many opposing opinions, and many who raise important considerations. And while we do want to support a recommendation that has widespread support, in the process to get there we do not want to shy away from difficult conversations and conflict. Instead we want to ensure that we tackle these challenges in agreement.



RESJ Framework and Plan

Individual Readiness

We are individuals throughout the organization that are self-aware of our racial identity and how that socially constructed identity has a profound significance and shapes all aspects of our lives.

PPS RESJ Professional Development Framework

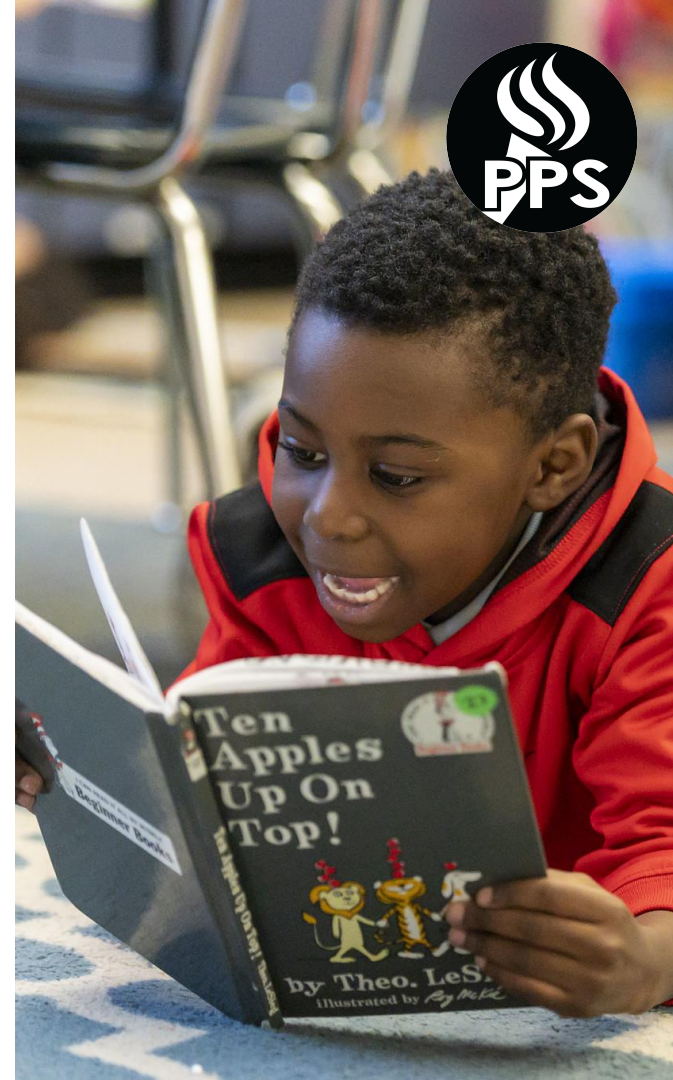
Organizational Culture

We are responsible for building a culture that proactively works to counteract inequities inside and outside of the organization. As such, we act with urgency to grow as adaptive leaders to better impact behaviors, mindsets, practices, programs and processes of the organization.

Build a positive, anti-racist culture

RESJ Systems

We are a school system that unapologetically embrace and braid RESJ practices and principles into the fabric of our dynamic system.



Culturally Responsive/Sustaining Pedagogy



Culturally Responsive Pedagogy

1. The eradication of deficits-based ideologies of culturally diverse students
2. **The disruption of the idea that eurocentric or middle class forms of discourse, knowledge, language, culture and historical interpretations are normative.**
3. A critical consciousness and sociopolitical awareness that reflects an ongoing commitment to challenge injustice and disrupt inequities and oppression of any group of people.
4. An authentic and culturally informed notion of care for students, wherein their academic, social, emotional, psychological and cultural well-being is adhered to.
5. A recognition of the complexity of culture, in which educators allow students to use their personal culture to enhance their quest for educational excellence.

Critical Race Theory

- Counter-Storytelling
- The Permanence of Racism
- Whiteness as Property
- Interest Convergence
- Critique of Liberalism

Counter-Storytelling

Telling the stories of our BIPOC students, families and community can challenge and counteract racial inequities and catalyze the movement for racial justice.



METHODS

Paseo Protocol

Empathy Interview

Composite User

Brainstorm

Looks Like/ Works Like

User Testing

Equity Pause

Notice Tool

AEIOU

POV MadLib

Brainwrite

Rapid Prototyping

Role Play Testing

Reflect Write

Constructivist Listening

Immersion

HMW

Constraints

Build to Learn

Storytelling

Dyad Convo

Need Statement

Levers

Think Aloud

Dyad Testing

EMPATHIZE

IDEATE

NOTICE

DEFINE

PROTOTYPE

TEST

REFLECT

Build Relational Trust

Liberatory Collaboration

Bias Toward Experimentation

Build Emotional Trust

Focus on Human Values

Focus on Human Values

Craft Clarity

Liberatory Collaboration

Focus on Human Values

Practice Self-Awareness

Embrace Complexity

Embrace Complexity

Bias Toward Action

Craft Clarity

Practice Self-Awareness

Notice Bias + Power

Practice Self-Awareness

Build Relational Trust

Practice Self-Awareness

Embrace Complexity

Embrace Complexity

Define Bias + Power

Bias Toward Experimentation

MINDSETS

5 Elements of Enrollment & Program Balancing | Phase 2



LAUNCH



Understand the charge



Review goals & charter



Grounding, understanding, & capacity building

LEARN



Continue defining RESJ



Notice and identify top needs for students



Listen to experiences with key topics

BRAINSTORM



Brainstorm outcomes with RESJ

Spring 2021

Summer 2021



TESTING



Draft and test
various solutions



Collaboration for
input from
community

RECOMMEND



Build consensus on a
Phase 2
recommendation

Fall 2021

Student Voice and Community Engagement Framework | Phase 2



<p>Honor student and community intelligence, and lessen dominant inequities with counter narratives.</p> <p>Cognition</p>	<p>Organize young people, and acknowledge the social and political contexts they learn and live in.</p> <p>Capabilities</p>	<p>Be responsive and accountable with thought partnership and accessible design.</p> <p>Confidence</p>	<p>Use multiple engagement methods incorporating technology, and uplift BIPOC student and family voices.</p> <p>Connections</p>
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PPS Stakeholders

PPS principals, central office staff, and FLO Analytics will work to ground the process on the following sets of stakeholders:

- Students, Families, and Community Members
- SE Guiding Coalition
- RESJ Partners

Engagement Methods



Website

Survey

- Honor student and community intelligence, and lessen dominant inequities with counter narratives

Text Messaging

- Organize young people, and acknowledge the social and political contexts they learn and live in

Student Forums

- Be responsive and accountable with thought partnership and accessible design

Focus Groups

- Use multiple engagement methods incorporating technology, and uplift BIPOC student and family voices

Open House

RESJ Partners Advisory

Tribal Community Engagement

School-hosted Parent Meetings

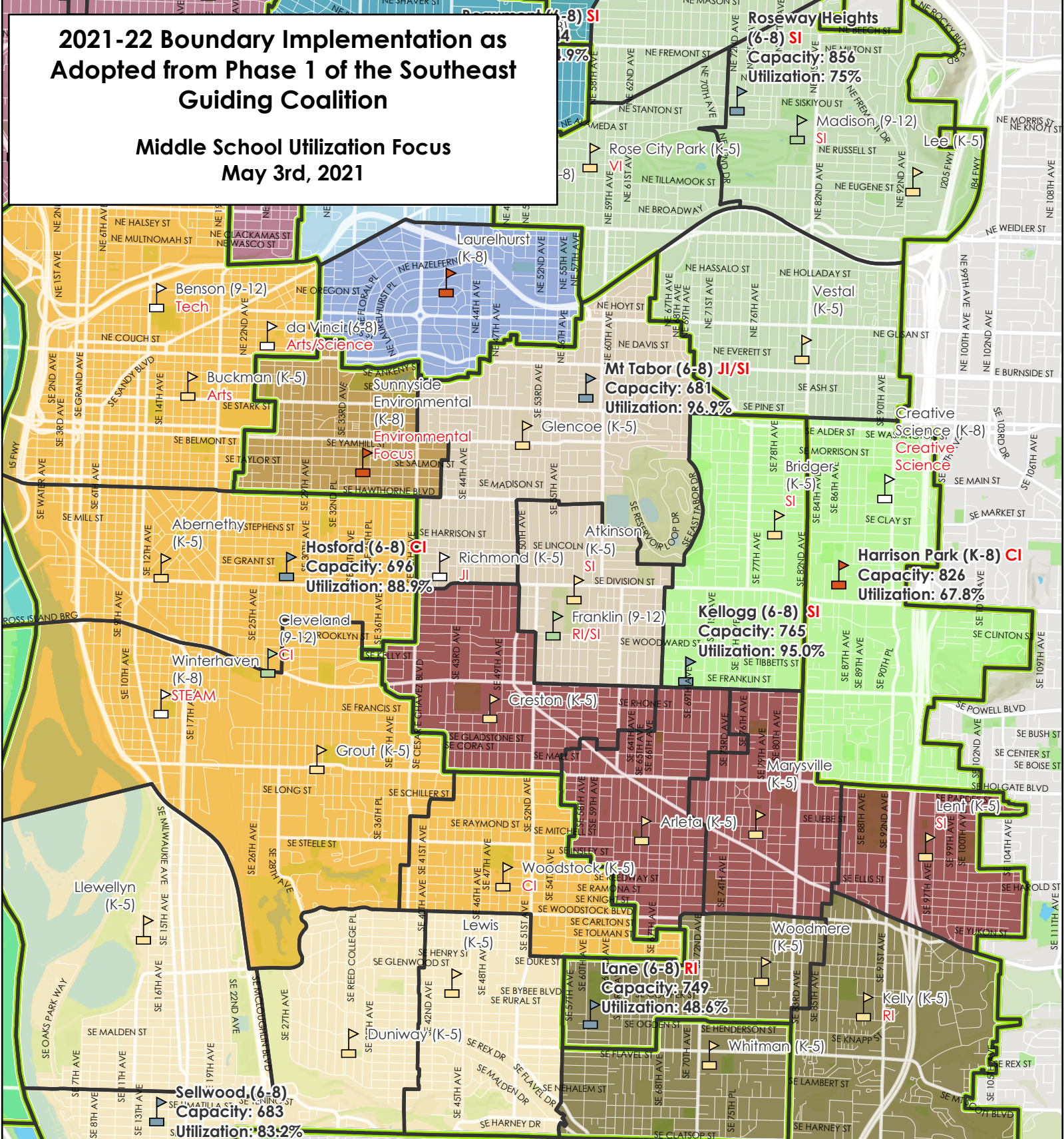
Phase 2 | Community and Student Engagement Timeline



Community Outreach	Month	Phase 2 Element
<p style="text-align: center;">Launch</p> <ul style="list-style-type: none"> • Website (continuous) • Surveying input from families • Social media (continuous) • Texting • Principal's messages (continuous) • Public SE Guiding Coalition Meetings 	May	Launch
<p style="text-align: center;">Learn</p> <ul style="list-style-type: none"> • Continuing awareness with opportunities to share general feedback • Results from messages and surveys prioritizing black families, indigenous families, and families of color • Results from online survey of broader PPS community • Student Forum and BIPOC focus groups • Feedback on virtual open house 	May-June	Learn
<p style="text-align: center;">Brainstorm</p> <ul style="list-style-type: none"> • Continuing awareness with opportunities to share general feedback • Outreach to focus groups (black and indigenous, Spanish speaking, Chinese Speaking, teachers, students) 	Fall 2021	Brainstorm
<p style="text-align: center;">Test</p> <ul style="list-style-type: none"> • Board of Education Public Worksession 	Fall 2021	Testing
<p style="text-align: center;">Recommend</p> <ul style="list-style-type: none"> • Continued Stakeholder Engagement • School Site-based Engagement • Public Comment to the Board of Education 	December	Recommend

2021-22 Boundary Implementation as Adopted from Phase 1 of the Southeast Guiding Coalition

Middle School Utilization Focus May 3rd, 2021



- Other School Location**
- Elementary School
 - K-8 School
 - Middle School
 - High School

- Focus Option School**
- District Boundary
 - Elementary School Attendance Area

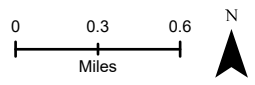
- 2021-22 Middle School Attendance Area**
- Beaumont
 - Beverly Cleary
 - Harriet Tubman

- Harrison Park
- Hosford
- Jackson
- Kellogg
- Lane
- Laurelhurst
- Mt Tabor

- Roseway Heights
- Sellwood
- Sunnyside Environmental
- West Sylvan

- Language Program Key**
- JI = Japanese Immersion
 - CI = Chinese Immersion
 - RI = Russian Immersion
 - SI = Spanish Immersion
 - VI = Vietnamese Immersion

- School Label Key**
- School Name (Grades Served)
 - Focus Option
 - Capacity sans Modulars*
 - 2025 Utilization sans Modulars*
 - * shown only for SE middle schools



Southeast Enrollment and Program Balancing Baseline Data												
School	Grades Served	Programs	Building Capacity	Building Capacity (w/o Modulars)	Modular Classrooms	Enrollment (2019-based Estimate)	Building Utilization	Building Utilization (w/o Modulars)	2025 Forecast Enrollment	2025 Building Utilization	2025 Building Utilization (w/o Modulars)	
Abernethy	K-5	Neighborhood	480	426	2	507	105.6%	119.0%	▼ 423	88.1%	99.3%	
Arlata	K-5	Neighborhood	642		0	363	56.5%		▼ 290	45.2%		
Atkinson	K-5	Neighborhood	540		0	238	72.4%		▼ 228	65.5%		
		Spanish Immersion				153			▼ 126			
		Total				391			▼ 354			
Bridger	K-5	Neighborhood	510	361	6	120	76.7%	108.3%	▼ 115	66.3%	93.6%	
		Spanish Immersion				271			▼ 223			
		Total				391			▼ 338			
Buckman	K-5	Neighborhood / Focus Option	627		0	427	68.1%		▼ 424	67.6%		
Creston	K-5	Neighborhood	504		0	257	51.0%		▼ 225	44.6%		
Duniway	K-5	Neighborhood	552		0	512	92.8%		▼ 437	79.2%		
Glencoe	K-5	Neighborhood	573	546	1	449	78.4%	82.2%	▼ 375	65.4%	68.7%	
Grout	K-5	Neighborhood	484		0	370	76.4%		▼ 362	74.8%		
Kelly	K-5	Neighborhood	645		0	252	73.8%		▼ 231	69.0%		
		Russian Immersion				224			▼ 214			
		Total				476			▼ 445			
Lent	K-5	Neighborhood	658	583	3	169	46.7%	52.7%	▼ 154	42.1%	47.5%	
		Spanish Immersion				138			▼ 123			
		Total				307			▼ 277			
Lewis	K-5	Neighborhood	402		0	410	102.0%		▼ 358	89.1%		
Llewellyn	K-5	Neighborhood	501	426	3	509	101.6%	119.5%	▼ 427	85.2%	100.2%	
Marysville	K-5	Neighborhood	481		0	265	55.1%		▼ 246	51.1%		
Richmond	K-5	Japanese Immersion	723		0	627	86.7%		▼ 599	82.8%		
Vestal	K-5	Neighborhood	504	432	3	249	49.4%	57.6%	▼ 205	40.7%	47.5%	
Whitman	K-5	Neighborhood	467		0	220	47.1%		▼ 189	40.5%		
Woodmere	K-5	Neighborhood	434		0	273	62.9%		▼ 247	56.9%		
Woodstock	K-5	Neighborhood	621		0	231	87.4%		▼ 226	82.8%		
		Chinese Immersion				312			▼ 288			
		Total				543			▼ 514			
Creative Science (Clark)	K-8	Focus Option	522		0	468	89.7%		▼ 452	86.6%		
Harrison Park	K-5	Neighborhood	826		0	373	49.0%		▼ 251	43.0%		
		Chinese Immersion				80			▲ 104			
		Total				453			▼ 355			
Harrison Park	6-8	Neighborhood	826		0	302	36.6%		▼ 161	24.8%		
		Chinese Immersion				0			▲ 44			
		Total				302			▼ 205			
Sunnyside	K-8	Neighborhood / Focus Option	546	492	2	549	100.5%	111.6%	▼ 451	82.6%	91.7%	
Hosford	6-8	Neighborhood	696		0	523	93.5%		▼ 495	88.9%		
		Chinese Immersion				128			▼ 124			
		Total				651			▼ 619			
Kellogg	6-8	Neighborhood	765		0	563	94.1%		▲ 572	95.0%		
		Spanish Immersion				157			▼ 155			
		Total				720			▲ 727			
Lane	6-8	Neighborhood	749		0	409	60.9%		▼ 309	48.6%		
		Russian Immersion				47			▲ 55			
		Total				456			▼ 364			
Mt Tabor	6-8	Neighborhood	681		0	382	106.9%		▼ 320	96.9%		
		Japanese Immersion				277			▼ 273			
		Spanish Immersion				69			▼ 67			
		Total				728			▼ 660			

Southeast Enrollment and Program Balancing Baseline Data											
School	Grades Served	Programs	Building Capacity	Building Capacity (w/o Modularity)	Modular Classrooms	Enrollment (2019-based Estimate)	Building Utilization	Building Utilization (w/o Modularity)	2025 Forecast Enrollment	2025 Building Utilization	2025 Building Utilization (w/o Modularity)
Sellwood	6-8	Neighborhood	683		0	590	86.4%		▼ 568	83.2%	
Cleveland	9-12	Neighborhood	1,761	1,718	2	1,427	88.6%	90.8%	▲ 1,437	89.8%	92.1%
		Chinese Immersion				133			▲ 145		
		Total				1,560			▲ 1,582		
Franklin	9-12	Neighborhood	1,779		0	1,769	108.8%		▲ 1,822	113.8%	
		Russian Immersion				35			▲ 51		
		Spanish Immersion				132			▲ 152		
		Total				1,936			▲ 2,025		
Grant	9-12	Neighborhood	1,721		0	1,589	105.3%		▲ 1,739	115.2%	
		Japanese Immersion				224			▲ 244		
		Total				1,813			▲ 1,983		
Madison	9-12	Neighborhood	1,843		0	1,011	58.5%		▲ 1,138	73.0%	
		Spanish Immersion				68			▲ 168		
		Vietnamese Immersion				0			▲ 40		
		Total				1,079			▲ 1,346		

Note: The 2025-26 enrollment forecast was developed by the Portland State University Population Research Center (PSU PRC) in March 2021. The 2019-20 enrollment estimate for Kellogg Middle School is the 2021-22 enrollment forecast from the PSU PRC. Harrison Park K-8 is broken out by elementary and middle grade groups.

Utilization 60-89%	Utilization 90-99%	Utilization > 100%			School affected resulting from Phase 1 changes
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Southeast Enrollment and Program Balancing Baseline Data													
School	Grades Serviced	Programs	Race & Ethnicity								Percent Free Meals*	Percent Special Education	Percent English Language Learners
			Asian	Asian-White	Black	Latino	Native Amer.	Multi-Racial	Pacific Islander	White			
Abernethy	K-5	Neighborhood	2.4%	5.7%	1.0%	5.5%	0.0%	2.8%	0.2%	82.4%	5.9%	12.8%	1.0%
Arleta	K-5	Neighborhood	9.1%	2.2%	2.8%	13.2%	0.0%	8.0%	0.0%	63.6%	26.7%	19.0%	7.7%
Atkinson	K-5	Neighborhood	5.0%	4.6%	1.7%	8.0%	0.4%	4.6%	0.0%	75.6%	10.5%	21.0%	3.8%
		Spanish Immersion	0.0%	2.0%	2.6%	53.6%	0.0%	0.0%	0.0%	41.8%	19.6%	7.8%	17.6%
		Total	3.1%	3.6%	2.0%	25.8%	0.0%	2.8%	0.0%	62.4%	14.1%	15.9%	9.2%
Bridger	K-5	Neighborhood	6.7%	3.3%	12.5%	10.0%	0.8%	6.7%	4.2%	55.8%	32.7%	17.5%	11.7%
		Spanish Immersion	2.2%	3.7%	3.3%	51.7%	0.0%	1.8%	0.0%	37.3%	16.6%	13.7%	18.5%
		Total	3.6%	3.6%	6.1%	38.9%	0.3%	3.3%	1.3%	43.0%	29.3%	14.8%	16.4%
Buckman	K-5	Neighborhood / Focus Option	0.9%	4.7%	3.3%	13.8%	0.2%	7.7%	0.0%	69.3%	19.2%	19.2%	2.6%
Creston	K-5	Neighborhood	3.1%	2.7%	4.3%	19.0%	0.0%	5.4%	0.0%	64.0%	19.8%	24.8%	8.9%
Duniway	K-5	Neighborhood	2.7%	4.9%	0.6%	6.1%	0.0%	2.7%	0.0%	83.0%	6.6%	15.0%	2.0%
Glencoe	K-5	Neighborhood	2.9%	5.1%	1.8%	11.8%	0.0%	6.5%	0.0%	71.9%	7.6%	18.3%	2.2%
Grout	K-5	Neighborhood	10.5%	2.7%	9.7%	10.3%	0.8%	6.2%	0.5%	59.2%	35.9%	18.9%	13.8%
Kelly	K-5	Neighborhood	15.9%	1.6%	11.1%	24.2%	2.4%	9.1%	3.2%	32.5%	44.0%	21.0%	23.8%
		Russian Immersion	1.8%	0.9%	1.8%	5.8%	0.0%	1.3%	0.0%	88.4%	33.5%	9.8%	61.6%
		Total	9.2%	1.3%	6.7%	15.5%	1.3%	5.5%	1.7%	58.8%	39.1%	15.8%	41.6%
Lent	K-5	Neighborhood	19.5%	1.2%	17.2%	24.3%	1.8%	4.7%	2.4%	29.0%	51.6%	15.4%	23.7%
		Spanish Immersion	1.4%	0.7%	0.7%	77.5%	0.7%	0.7%	0.0%	18.1%	30.4%	18.1%	44.2%
		Total	11.4%	0.1%	9.8%	48.2%	0.0%	2.9%	1.3%	24.1%	42.5%	16.6%	32.9%
Lewis	K-5	Neighborhood	2.0%	5.1%	1.0%	8.3%	0.2%	5.6%	0.7%	77.1%	15.1%	18.8%	1.7%
Llewellyn	K-5	Neighborhood	1.4%	6.1%	0.4%	10.0%	0.6%	5.3%	0.6%	75.6%	7.5%	17.3%	1.4%
Marysville	K-5	Neighborhood	12.5%	5.3%	9.4%	20.8%	0.0%	7.5%	3.0%	41.1%	38.9%	25.3%	16.2%
Richmond	K-5	Japanese Immersion	9.6%	31.3%	1.0%	4.0%	0.0%	3.8%	0.2%	50.2%	3.7%	8.3%	9.1%
Vestal	K-5	Neighborhood	10.4%	0.0%	12.4%	12.9%	0.0%	13.3%	2.4%	47.0%	34.9%	20.5%	13.3%
Whitman	K-5	Neighborhood	14.1%	0.5%	10.0%	29.1%	1.4%	10.9%	0.0%	34.1%	48.6%	22.3%	18.2%
Woodmere	K-5	Neighborhood	17.6%	2.9%	10.6%	14.7%	0.4%	9.5%	3.7%	40.7%	38.5%	23.4%	20.9%
Woodstock	K-5	Neighborhood	0.9%	6.5%	0.9%	8.2%	0.0%	5.2%	0.4%	77.9%	10.0%	14.3%	3.5%
		Chinese Immersion	45.8%	17.9%	0.0%	3.2%	0.0%	1.0%	0.0%	32.1%	14.4%	6.7%	23.7%
		Total	26.7%	13.1%	0.0%	5.3%	0.0%	2.8%	0.0%	51.6%	12.5%	9.9%	15.1%
Creative Science (Clark)	K-8	Focus Option	9.8%	3.2%	2.4%	6.0%	1.1%	4.5%	0.0%	72.6%	12.4%	18.2%	3.2%
Harrison Park	K-5	Neighborhood	17.2%	0.5%	27.1%	16.6%	0.5%	5.1%	4.8%	28.2%	51.2%	16.9%	33.5%
		Chinese Immersion	55.0%	5.0%	5.0%	10.0%	0.0%	5.0%	0.0%	20.0%	18.8%	11.3%	51.2%
		Total	23.8%	1.3%	23.2%	15.5%	0.4%	5.1%	4.0%	26.7%	45.5%	15.9%	36.7%
Harrison Park	6-8	Neighborhood	25.5%	1.0%	17.9%	18.5%	1.0%	6.3%	1.0%	28.8%	35.6%	16.2%	16.6%
Sunnyside	K-8	Neighborhood / Focus Option	1.5%	4.9%	2.0%	10.4%	0.0%	6.7%	0.0%	73.8%	11.3%	17.9%	0.0%
Hosford	6-8	Neighborhood	5.2%	4.6%	3.4%	11.7%	0.6%	5.7%	0.6%	68.3%	16.8%	18.4%	2.5%
		Chinese Immersion	39.8%	19.5%	2.3%	2.3%	0.0%	1.6%	0.0%	36.7%	3.9%	3.9%	2.3%
		Total	12.0%	7.5%	2.8%	9.8%	0.5%	4.9%	50.0%	62.1%	14.3%	15.5%	2.5%
Kellogg	6-8	Neighborhood	16.1%	3.5%	7.2%	19.9%	1.4%	8.7%	2.5%	44.1%	32.8%	18.2%	7.2%
		Spanish Immersion	0.0%	0.0%	0.0%	79.1%	0.0%	0.0%	0.0%	13.9%	20.9%	10.4%	16.5%
		Total	13.4%	3.2%	6.4%	31.3%	1.2%	7.2%	2.0%	38.3%	30.6%	16.7%	9.0%
Lane	6-8	Neighborhood	21.8%	0.8%	10.6%	26.2%	2.3%	7.3%	1.8%	29.1%	44.2%	19.7%	10.9%
		Russian Immersion	0.0%	0.0%	0.0%	6.4%	0.0%	0.0%	0.0%	93.6%	23.4%	6.4%	31.9%
		Total	19.4%	0.0%	9.5%	24.1%	2.1%	6.5%	1.6%	36.1%	41.9%	18.3%	13.2%

Southeast Enrollment and Program Balancing Baseline Data													
School	Grades Served	Programs	Race & Ethnicity								Percent Free Meals*	Percent Special Education	Percent English Language Learners
			Asian	Asian-White	Black	Latino	Native Amer.	Multi-Racial	Pacific Islander	White			
Mt Tabor	6-8	Neighborhood	6.6%	4.2%	2.9%	8.2%	0.0%	5.0%	0.3%	72.8%	8.2%	15.9%	4.0%
		Japanese Immersion	9.4%	31.4%	0.4%	2.5%	0.4%	3.2%	0.0%	52.7%	2.5%	8.3%	2.2%
		Spanish Immersion	1.4%	0.0%	1.4%	58.0%	0.0%	2.9%	0.0%	36.2%	20.3%	8.7%	17.4%
		Total	7.2%	14.2%	1.8%	10.8%	0.0%	4.1%	0.0%	61.6%	7.2%	12.3%	4.6%
Sellwood	6-8	Neighborhood	2.4%	5.6%	1.0%	6.8%	0.0%	5.6%	0.5%	78.1%	8.5%	15.8%	1.0%
Cleveland	9-12	Neighborhood	6.4%	4.6%	2.2%	9.0%	0.4%	5.0%	0.5%	72.1%	10.3%	12.3%	1.5%
		Chinese Immersion	46.6%	15.0%	0.0%	0.0%	0.0%	0.0%	0.0%	33.8%	3.8%	0.0%	0.0%
		Total	9.8%	5.4%	2.1%	8.5%	0.3%	4.6%	0.4%	68.8%	9.7%	11.4%	1.5%
Franklin	9-12	Neighborhood	14.5%	3.6%	4.9%	15.5%	0.5%	5.6%	0.7%	54.7%	21.2%	14.0%	5.0%
		Russian Immersion	0.0%	0.0%	0.0%	2.9%	0.0%	0.0%	0.0%	97.1%	28.6%	0.0%	20.0%
		Spanish Immersion	0.8%	3.0%	0.8%	66.7%	0.0%	2.3%	0.8%	25.8%	18.6%	7.6%	5.3%
		Total	13.3%	3.5%	4.5%	18.8%	0.4%	5.3%	0.7%	53.5%	19.0%	13.3%	5.3%
Grant	9-12	Neighborhood	2.6%	3.4%	6.7%	8.0%	0.7%	5.1%	0.3%	73.1%	7.2%	8.4%	0.5%
		Japanese Immersion	4.5%	23.7%	0.0%	5.4%	0.9%	5.8%	0.9%	58.9%	1.3%	1.8%	0.0%
		Total	2.9%	5.9%	5.9%	7.7%	0.7%	5.2%	0.4%	71.4%	6.5%	7.6%	0.4%
Madison	9-12	Neighborhood	15.8%	2.0%	14.7%	22.1%	1.0%	7.3%	1.8%	35.3%	32.7%	15.1%	13.6%
		Spanish Immersion	0.0%	0.0%	4.4%	70.6%	1.5%	5.9%	0.0%	17.6%	25.0%	14.7%	16.2%
		Total	14.8%	1.9%	14.1%	25.1%	1.0%	7.2%	1.7%	34.2%	32.3%	15.1%	13.7%

All statistics based on 2019-20 actual enrollment. *Please note that the data is based on rates of direct certification, that is, students who are eligible for free meals because their family receives other direct benefits. You can find more detailed tables of free and reduced-price meal eligibility here: [https://www.pps.net/cms/lib/OR01913224/Centricity/Domain/207/Enrollment by Meal Eligibility_Free 2019-20.pdf](https://www.pps.net/cms/lib/OR01913224/Centricity/Domain/207/Enrollment%20by%20Meal%20Eligibility_Free%202019-20.pdf)



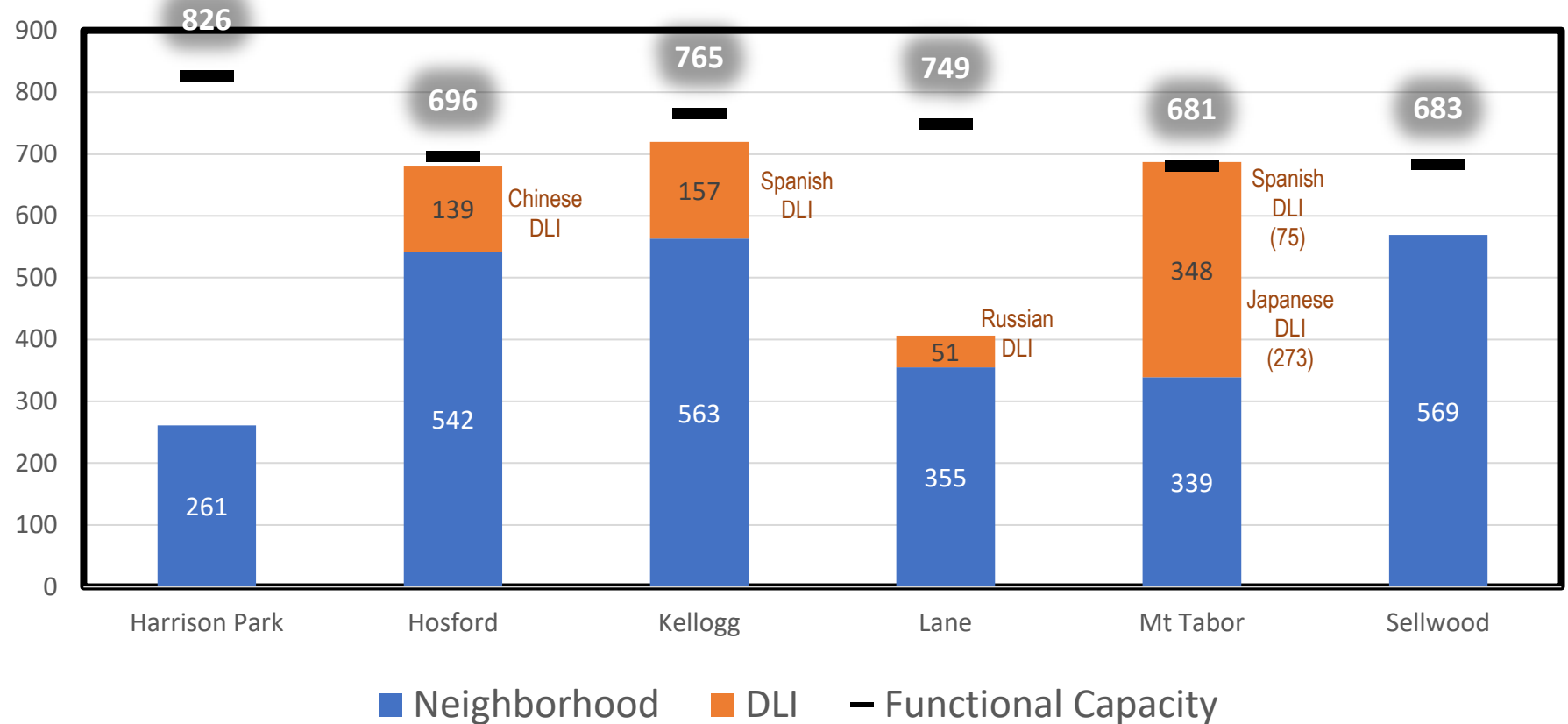
School affected resulting from Phase 1 changes

PPS Southeast Middle Grades (6-8) 2021-22 Projected Enrollment

Total SE middle school capacity is **4,400**.

Total enrollment is **3,324**, utilizing **76%** of capacity.

Neighborhood program enrollment is **2,629** and dual language immersion (DLI) enrollment is **695**.

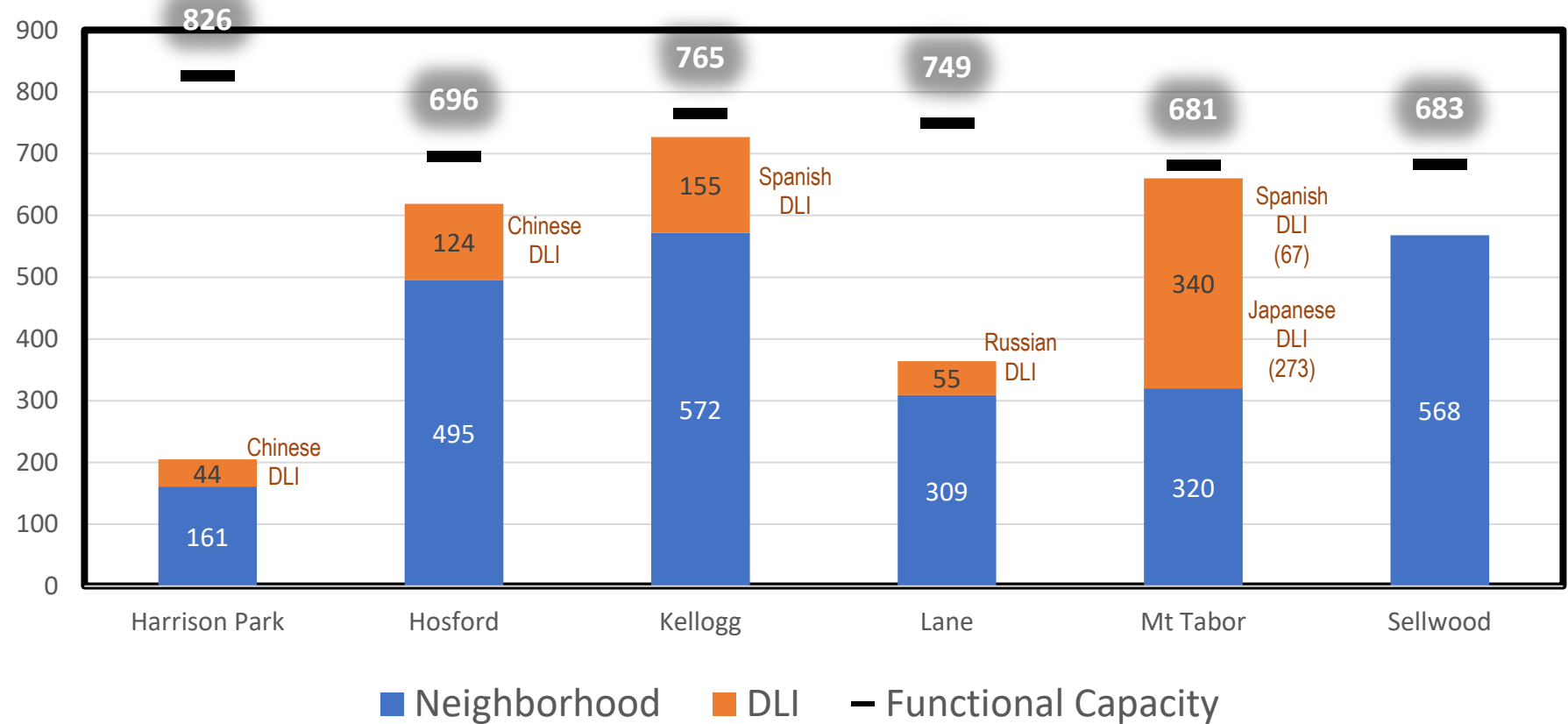


PPS Southeast Middle Grades (6-8) 2025-26 Projected Enrollment

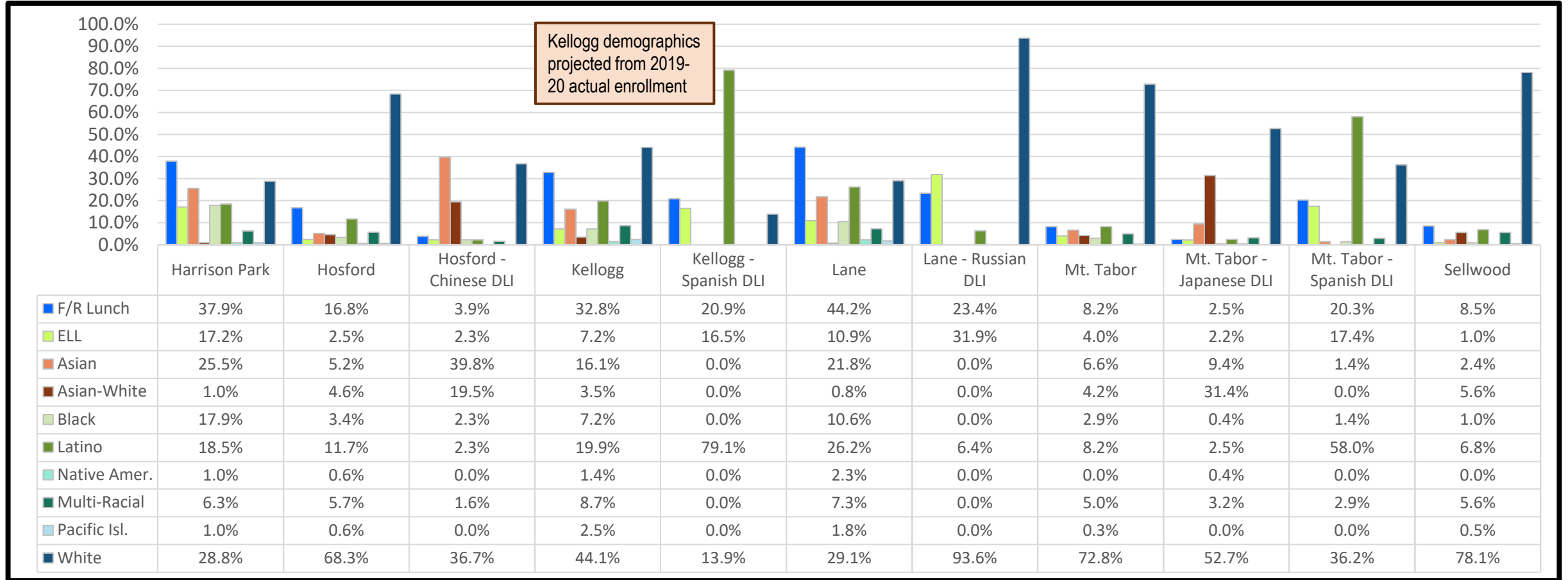
Total SE middle school capacity is **4,400**.

Total enrollment is **3,143**, utilizing **71%** of capacity.

Neighborhood program enrollment is **2,245** and dual language immersion (DLI) enrollment is **718**.



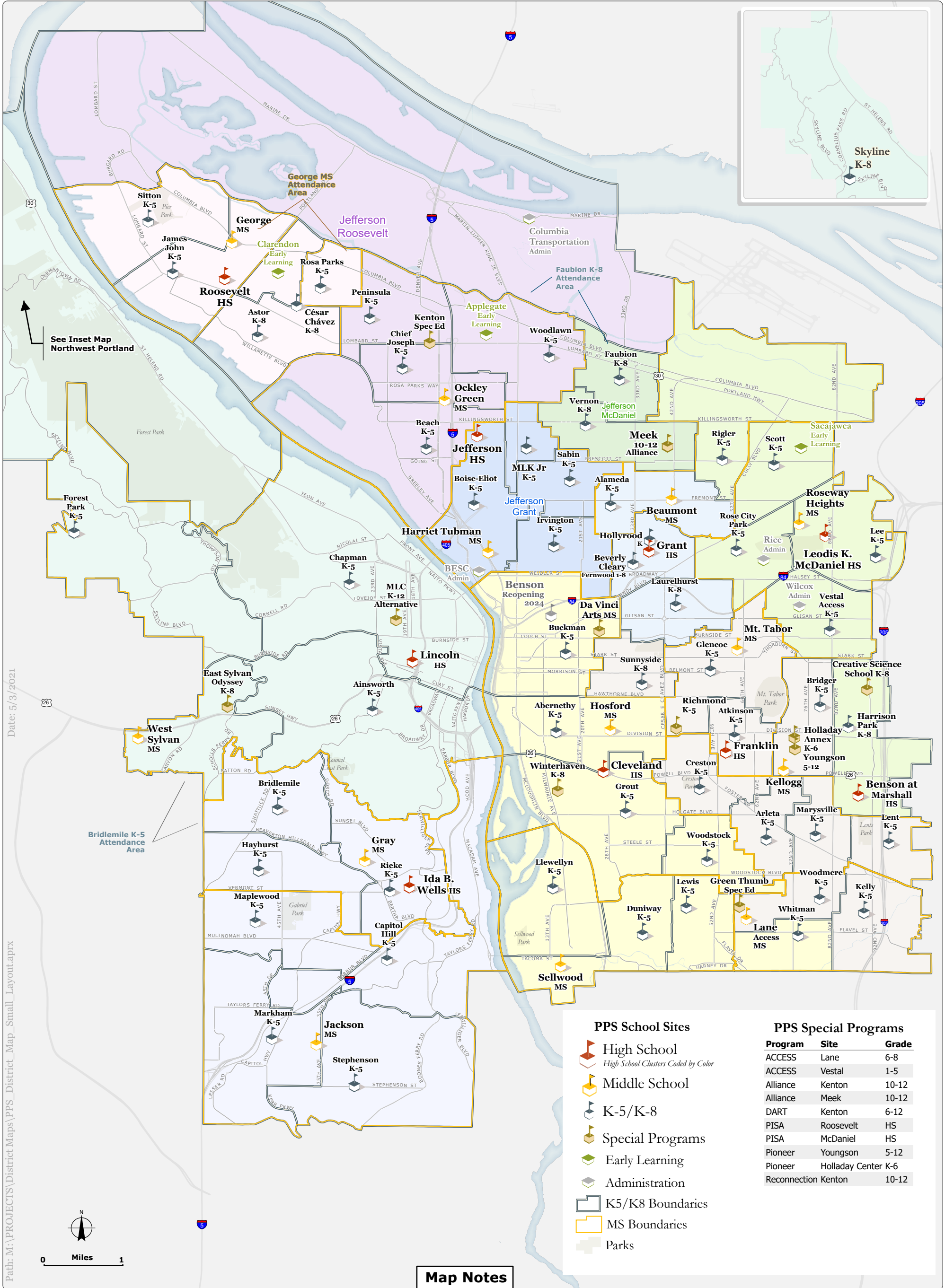
PPS Southeast Middle Grades (6-8) 2019-20 (Actual) Student Demographics





2021-22 Attendance Areas and Schools

Portland Public Schools is the largest of six school districts within the city of Portland, educating more than 49,000 students. Every K-12 student has a neighborhood school based on home address.



Date: 5/3/2021
Path: M:\PROJECTS\District Maps\PPS_District_Map_Small_Layout.aprx



Beverly Cleary K-8 resides at two sites:

- Hollywood: Kindergarten
- Fernwood: Grades 1-8

Benson HS is temporarily located at the Marshall site and will reopen in 2024.

Rigler K-5 is a dual language immersion school in conjunction with Scott K-5, Beaumont and Roseway Heights middle schools.

For detailed information contact Enrollment at (503) 916-3205 or email: enrollment-office@pps.net

The Willamette River is a functional boundary for all attendance areas. School boundaries do not reflect city or county lines.

Detailed School Boundaries:
www.pps.net/map

The following schools and community partners are recommended as SE Guiding Coalition participants in two levels of Phase 2 work

Affiliation	Phase 2 Focus: Harrison Park	Phase 2 Focus: Harrison Park plus Lane
Arleta	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Atkinson	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Bridger	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Creative Science	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Creston	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Glencoe	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Harrison Park	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Hosford	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Kelly	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Kellogg	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Lane	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Lent	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Lewis	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Marysville	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Mt. Tabor	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Richmond	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Vestal	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Whitman	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Woodmere	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Woodstock	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Portland Assn of Teachers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Coalition of Black Men	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Nothing But Quality	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Latino Network	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

The following PPS departments will support the SEGC Phase 2 process

Facilities Planning		
System Planning & Performance		
Business & Operations		
Racial Equity & Social Justice		
Community Engagement		
Office of School Performance		
Communications		
Enrollment & Transfer		
Dual Language		
Early Learners		
Special Education		
Transportation		
Flo Analytics (Contractor)		
Middle School Redesign		

Office of Technology & Information Services		
Language Access Services		

Southeast Enrollment Balancing: Options for Phase 2 Scope

Introduction and Key Findings

At its working session on February 22, the Board of Education asked staff to reconsider the scope of the Southeast Guiding Coalition’s Phase 2 work, citing capacity concerns in light of other urgent district priorities. Directors made it clear they still want to prioritize converting Harrison Park K-8 to a comprehensive middle school as soon as possible—but with the least possible disruption to other schools across Southeast.

In the weeks since that meeting, a small group of PPS staff, coalition members, and representatives from FLO Analytics met to consider options for Phase 2 based on the Board’s instructions. The group did *not* create specific scenarios for the full coalition or the Board to consider, but instead worked to understand the extent of the changes required to meet potential Phase 2 goals.

We began by considering the unresolved issues from Phase 1 that could have the biggest effects on students’ middle school experiences. One stood out: the potential for relatively low enrollment at Lane MS and the future Harrison Park MS—which serve the highest percentages of BIPOC middle school students in the region—to inhibit opportunities for students at those schools by limiting staffing and other resources.

We then identified four potential “levels” of scope the coalition could take on in Phase 2 (with each encompassing all the changes from the previous levels):

- Level 1: Maintaining the Fall 2021 status quo for an additional year
- Level 2: Converting Harrison Park to a middle school in Fall 2022
- Level 3: Addressing underenrollment at Lane MS
- Level 4: Balancing enrollment across all Southeast middle schools

For each level, we played out hypothetical scenarios to identify the kinds and amount of changes required. The exercise left us with several key takeaways:

- **The Board should ground Phase 2 in the effects of enrollment imbalances on students’ middle school experiences.** We surfaced a clear connection between enrollment balancing work and the district’s middle school strategy: the middle grades experience PPS wants all students to have depends on robust enrollment (which helps determine staff and electives) across all middle schools. Under current boundaries and feeder patterns, the middle schools serving the highest percentages of BIPOC students

in Southeast would be most at risk of lacking the enrollment and resources to deliver on this vision. The Board should work with district staff to set a minimum enrollment target for each middle school that would ensure all students have access to an equitable middle grades experience. And it should prioritize helping the public understand the important long-term benefits of the work for students.

- **A sharp decline in enrollment in outer Southeast will make addressing middle school underenrollment even more challenging—and more urgent.** Pre-pandemic forecasts show enrollment at Harrison Park and Lane declining by more than 100 students between now and 2024, as gentrification pushes many families in outer Southeast out of the district entirely. Many scenarios that get both schools to acceptable enrollment levels today would be rendered insufficient within a few years. For example, if the Board determined Harrison Park needs at least 600 students to provide an equitable middle school experience, it would need to find a solution that gives it at least 700 students based on this year's enrollment data. This would mean adopting changes that disrupt even more families and school communities. But it also emphasizes just how damaging the underenrollment at Lane and Harrison Park could become for students if the coalition's work is postponed for too long. Whether the Board will need to address these trends within the next few years isn't in doubt—it's simply a question of when.
- **Converting Harrison Park to a middle school—as the Board has repeatedly promised to do—would by itself require significant changes.** Opening Kellogg MS didn't require changing any feeder paths for existing middle schools. Opening Harrison Park MS will be a different story. The school would need several hundred more students beyond its current middle grades enrollment—and because the Board converted all the other K-8 schools in Southeast in Phase 1, those students can only come from other middle schools. This would mean changing current feeder paths for 1-2 neighborhood programs—including at least one current Kellogg feeder school—and relocating at least one middle school DLI program. The Board would also need to identify a location for Harrison Park's current K-5 students, which means either displacing Creative Science School at the Clark building (the only plausible location for the full cohort) or separating the K-5 cohort to nearby elementary schools—and reversing the precedent it just set in Phase 1 around keeping school communities together.
- **Boundary changes alone would not be enough to address underenrollment at Lane.** If the Board decides that addressing underenrollment at Lane should be a priority from an RESJ perspective, it will effectively be authorizing feeder pattern changes even beyond what would be required to convert Harrison Park. Modest boundary changes alone won't get the school to a robust enrollment, so changing feeder patterns for several K-5 programs (neighborhood and DLI) would have to be part of any solution.
- **Taking a piecemeal approach to the remaining middle school balancing work would cause more disruption across Southeast, not less.** With all the challenges PPS and its families are facing right now, breaking the coalition's work into smaller

chunks over a longer period of time might seem appealing. But our scoping exercise showed this approach would likely backfire, due to the interconnected nature of the work and the accelerating enrollment decline in outer Southeast. We're already seeing this play out with Kellogg's feeder path: isolating that component in Phase 1 led to decisions we will need to reverse to convert Harrison Park, meaning some communities will experience back-to-back changes. The same would hold true in trying to separate Harrison Park's conversion from right-sizing Lane. If the Board wants to minimize the overall disruption of the coalition's work, it should decide on a set of outcomes it can stand by for 5-10 years and instruct the coalition to find a plan that meets all those goals during Phase 2. If it's necessary to lengthen the timeline for Phase 2 to accomplish the final scope of work, that would be better for the community than doing the work in several smaller stages.

Below, we offer a more detailed recap of enrollment imbalances across Southeast after Phase 1 of the coalition's work. We also provide an in-depth description of each possible "level" of Phase 2 scope (along with the opportunities, challenges, and extent of potential changes for each. Finally, we list the most crucial questions the Board will need to answer before it can choose and implement one of these options.

Unresolved Issues From Phase 1

The coalition's Phase 1 work will allow Kellogg Middle School to reopen in Fall 2021. This is a huge accomplishment that will give hundreds more students across Southeast access to a comprehensive middle school.

But Phase 1 failed to address the widespread overcrowding and underenrollment across Southeast schools—and in some ways made these imbalances even worse. This is especially true at the middle school level, where three schools (Kellogg, Mt. Tabor, and Hosford) are projected to be overcrowded in 2021-22. Meanwhile, Lane will have a projected utilization rate below 60%, and current feeder patterns put Harrison Parks's middle school on track to have a utilization rate under 40% when it converts in Fall 2022.

Phase 1 also created four K-5 schools (Arleta, Creston, Marysville, and Lent) that will have projected enrollments below 60% in 2021-22, to go along with two that were already underenrolled (Vestal and Whitman). Almost all these schools serve high percentages of BIPOC students and students from low-income families. And overall, enrollment in outer Southeast is projected to decline sharply over the next several years.

Finally, while the coalition didn't attempt any changes in Phase 1 that would affect high school enrollment, it's worth noting that Franklin High School remains on track to be severely overcrowded (above 100% utilization) for the foreseeable future.

Four Levels of Change for Phase 2

Below, we describe four possible “levels” of work for Phase 2. With each additional level, we’d potentially address more of the unresolved issues from Phase 1—but with more disruption to more school communities. Each level is contingent on the prior ones: for example, we can’t proceed to addressing underenrollment at Lane or a broader rebalancing effort without making several tough decisions required just to convert Harrison Park to a middle school (Level 2).

Level 1: No Additional Changes until Fall 2023

We could delay the conversion of Harrison Park (along with any other boundary or feeder path changes) until Fall 2023, with the assumption that we would use the additional time to address all or most of the original Phase 2 priorities. As part of this option, PPS would continue to handle middle school assignments for Bridger neighborhood students administratively, splitting them between Harrison Park K-8 and Kellogg.

Schools Involved

Bridger, Harrison Park, Kellogg

Strengths

- Potentially allows for more district capacity to open Harrison Park Middle School (and potentially a new elementary school at Clark) successfully in Fall 2023
- Least immediate disruption across the region
- Creates time for a less rushed process and more community engagement (i.e., parts of the process could continue this year without the pressure of needing final decisions in time for Fall 2022)
- Harrison Park has more robust middle school programming than many smaller K-8s, which could be strengthened further by additional temporary support

Challenges

- Harrison Park would not open as a middle school in Fall 2022 as promised, meaning some Bridger and all Harrison Park students would not have access to a middle school until Fall 2023 at the earliest
- Bridger remains without a permanent middle school feeder path. Harrison Park K-8 has a spilt high school feeder path, with students in the Bridger attendance area still feeding to Franklin
- It’s impossible to guarantee that the Board/district would follow through on the more comprehensive process a year later--the political challenges would remain the same
- Large middle school imbalances would remain across the region until at least 2023-24 (Kellogg, Mt. Tabor, and Hosford overcrowded; Lane underenrolled)
- Many K-5 schools across the region would remain underenrolled until at least 2023-24
- Franklin would remain overcrowded until at least 2023-24

Level 2: Open Harrison Park Middle School in Fall 2022

We could prioritize converting Harrison Park to a comprehensive middle school in Fall 2022 as promised. This would mean ensuring it has enough students to be a viable middle school—and therefore assigning it additional feeder schools and, most likely, additional Dual Language Immersion students. Without this infusion of feeder schools and programs, utilization at Harrison Park MS would be below 40% with current feeder patterns (Harrison Park K-5 and part of Bridger). It would also mean finding a location for Harrison Park’s current K-5 students: either at the Clark building or splitting them among several nearby schools. While some of these changes may help address overcrowding or underenrollment at other schools, that wouldn’t be the coalition’s primary goal: we’d make the fewest number of adjustments required to give Harrison Park enough students.

Schools Involved

Bridger, Harrison Park, Kellogg, Arleta, Atkinson, Lent, Marysville, Vestal, Mt. Tabor, Woodstock, Hosford, Creative Science, Whitman, Woodmere, Creston

Strengths

- Harrison Park MS opens in Fall 2022 as promised with a good projected enrollment
- All K-5 schools in Southeast would have a middle school assignment by Fall 2022
- Requires changes that may help with overcrowding or underenrollment at some other middle and K-5 schools
- Less disruption overall than Options 3 or 4

Challenges

- Some middle school imbalances would remain across the region indefinitely without specific plans to address them as part of another phase/process
- Some K-5 schools would remain underenrolled indefinitely
- Requires decisions that would be controversial: for example, relocating or reconfiguring Creative Science School (and potentially consolidating underenrolled K-5 schools as a result), relocating one or more DLI programs, changing several neighborhood middle school assignments (possibly including a current Kellogg feeder)
- Without a more comprehensive look at high school feeder paths, Franklin would remain overcrowded indefinitely

Level 3: Address Underenrollment at Lane

In addition to opening Harrison Park Middle school as described in Level 2, we could prioritize addressing the chronic underenrollment at Lane (which will be exacerbated when ACCESS relocates next year).

Schools Involved

Bridger, Harrison Park, Kellogg, Arleta, Atkinson, Marysville, Lent, Vestal, Mt. Tabor, Woodstock, Hosford, Creative Science, Whitman, Woodmere, Creston, Lewis, Lane, Richmond

Strengths

- Harrison Park MS opens in Fall 2022 as promised
- All K-5 schools in Southeast would have a middle school assignment by Fall 2022
- Lane would no longer be underenrolled
- Some changes would likely help address underenrollment at K-5 schools

Challenges

- Requires many changes that may be controversial—potentially relocating or reconfiguring Creative Science School (and possibly consolidating underenrolled K-5 schools as a result), relocating one or more DLI programs, and changing the feeder paths for several neighborhood programs (including some current Kellogg feeders)
- Avoiding changes to other middle schools limits options for increasing enrollment at Lane and Harrison Park—and would still leave the region’s two most racially diverse middle schools with significantly lower enrollment than others (along with any staffing/programmatic impact that creates)
- Without a more comprehensive K-5 boundary review, some K-5 schools would remain underenrolled indefinitely
- Without a more comprehensive look at high school feeder paths, Franklin would remain overcrowded indefinitely

Level 4: Balance All Southeast Middle Schools

We could use the conversion of Harrison Park as an opportunity to address the large imbalances in middle schools across Southeast—not only ensuring that Harrison Park opens as a middle school with robust enrollment, but addressing the overcrowding at Kellogg, Mt. Tabor, and Hosford, as well as the underenrollment at Lane. We’d use a combination of feeder path adjustments and boundary changes to bring each school’s projected utilization rate as close to 80% as possible—roughly the average middle school utilization rate in Southeast. This wouldn’t include a comprehensive K-5 boundary review, though; we’d limit boundary changes to the fewest necessary to balance middle schools across the region.

Schools Involved

All elementary and middle schools in Southeast

Strengths

- Harrison Park MS opens in Fall 2022 as promised
- All middle schools across Southeast would have robust enrollment without overcrowding
- All K-5 schools in Southeast would have a middle school assignment by Fall 2022

- Increased confidence that middle school assignments would not require further adjustments
- Some changes would likely help address underenrollment at K-5 schools

Challenges

- Requires many changes that may be controversial—potentially relocating or reconfiguring Creative Science School (with possible consolidation of underenrolled K-5 schools as a result), relocating one or more DLI programs, and changing the feeder paths for several neighborhood programs (including one or more current Kellogg feeder)
- Requires significant community engagement and staff resources throughout Fall 2021
- Without a more comprehensive K-5 boundary review, some K-5 schools would remain underenrolled indefinitely
- Without a more comprehensive look at high school feeder paths, Franklin would remain overcrowded indefinitely

Questions and Considerations

All the options above come with challenges and difficult choices: put simply, there is no easy off ramp from this process now that it has begun. The questions below should help Directors clarify their goals and values, make an informed choice about the scope of Phase 2, and ensure the coalition has the specific guidance it needs to deliver on the Board's charge.

- **Where will Harrison Park's K-5 students go when it converts to a middle school?** We can't proceed with converting Harrison Park (or planning for any other potential Phase 2 objectives) until we have a specific answer to this question. Is the Board willing to relocate or reconfigure Creative Science School so that these students can move as a group to Clark? Alternatively, is the Board willing to split Harrison Park's K-5 students among several nearby schools, over the strong objections of the Harrison Park community, and reversing the precedent just set in Phase 1 around keeping communities together?
- **What is the minimum enrollment the Board would tolerate over the long run at Lane and the future Harrison Park Middle School?** While part of enrollment balancing work is about efficient use of facilities and resources, our main priority is providing all Southeast students with equitable access to an excellent education—especially in middle school. The Board, with help from district staff, should determine the minimum enrollment necessary for a middle school to offer the student experience the district is promising. Can the Board justify enrollment at Harrison Park or Lane that falls below this threshold, even if addressing it would involve significant disruption across Southeast?
- **How would delaying some or all of the Phase 2 work affect students—especially BIPOC students?** Delaying conversion of Harrison Park would mean students there and some at Bridger would continue to lack access to a comprehensive middle school, despite the Board's urgency to give as many students as possible immediate access to a

middle school in Phase 1. And if we prioritize giving the new Harrison Park Middle School robust enrollment, is there any RESJ justification for allowing underenrollment to continue at Lane, which serves a notably high number of BIPOC students? On the other hand, it's possible the district would have more capacity to support opening Harrison Park Middle School (and a potential new elementary school at Clark, along with any other changes flowing from that) with an additional year to prepare. Do the potential benefits of a delay outweigh the costs for students?

- **Is the Board prepared to make specific plans for continuing any deferred parts of the Southeast balancing work?** If not, we should ensure the outcome of Phase 2 is an acceptable medium-to-long-term solution—for middle schools, but also for the underenrolled K-5 schools and for overcrowded Franklin High School.

Portland Public Schools

CBRC Annual Local Option Levy Review May 8, 2021

Overview

The Community Budget Review Committee (CBRC) conducted a general review of Portland Public Schools (PPS) expenditures of the Local Option Levy (Levy) funds approved by voters in November 2019. Measure 26-207 mandates independent citizen oversight to ensure tax dollars are used for purposes approved by local voters. The review period for this report is expenditures from the prior school year, **FY 2020-21**.

CBRC examined Levy data to determine the use of funds in the following areas:

1. Help maintain and lower class sizes that permit more individual attention for students;
2. Help to support a well-rounded program, with enrichments for elementary and middle grades and electives in varied interest areas and disciplines for high school students;
3. Provide funding equivalent to at least the 825 teaching positions initially projected.

Findings

CBRC finds in the fiscal year 2020-21 that all Levy funds are being spent as approved by voters.

With respect to the use of Levy funds for maintaining teaching positions, PPS has received \$95,722,996 as of April 1, 2021, from Multnomah, Washington, and Clackamas Counties. Based on the 2020-21 receipts and an average teacher cost of \$108,476 (salary, taxes, and benefits), Levy funds will support approximately 884 teaching positions for the 2020-21 fiscal year. This meets the Levy goal of supporting at least 825 teaching positions. At the same time last year, the Levy funded approximately 908 teachers.

With the help of Levy, funding PPS has been able to maintain smaller class sizes than would be the case with state funding alone. Appended to this report is a summary of how many teachers were funded by the local option levy at each school for the 2019-20 school year.

The Levy is also designed to help support teaching positions and classroom supports at every school in the district. Since the Levy was renewed in November 2019, the following actions have been implemented by the District to begin providing additional support as a result of the added staffing outlined above:

- Represent approximately one-third of all teaching positions in Portland Public Schools.
- Teach core classes, as well as enrichments for elementary and middle grades and electives in varied interest areas and disciplines for high school students.
- Teach career and technical programs and STEM programs, including computer science education, and college and career readiness skills.
- Provide specialized academic support for students, in areas such as reading and math.

Effective with the 2013-2014 fiscal year, PPS established a procedure adopted for the federal stimulus funds and which was acceptable to the federal government whereby Levy funds are placed in a “sub-account” within the General Fund and can only be used to pay teachers’ salaries and benefits. This provision was written into Measure 26-207’s Explanatory Statement and is part of the current Levy language. The Local Option Levy Funds for 2020-21 have been deposited into this sub-account.

Finally, the Levy language continues to require independent community oversight to ensure that tax dollars are used as approved by local voters. The PPS Board of Education has appointed CBRC as the community oversight body to perform this function.

CBRC would like to take this opportunity to again thank the voters for approving this vital funding source for Portland Public Schools that will help ensure that our students continue to receive benefits from the additional teachers, lower class sizes, and enriched classroom offerings afforded as a result of our Local Option Levy. The Local Option Levy helps mitigate the state’s failure to adequately fund K-12 education.

CBRC respectfully submits this report to the PPS Board of Education:

Sara Kerr, Co-Chair
Judah McAuley, Co-Chair
Irina Phillips, Co-Vice Chair

Parker Myrus, Co-Vice Chair and Student Representative

Tastonga Davis

Roger Kirchner

Brad Nelson

Leesha Posey

Jennifer Samuels

Hoang Samuelson

Lisa Selman

Renee Watson

Jackson Weinberg, Student Representative

**Portland Public Schools
CBRC Annual Budget Review
FY 2021-22**

Background and Purpose of the Community Budget Review Committee (CBRC)

The Community Budget Review Committee (CBRC) reviews, evaluates and makes recommendations to the Portland Public School Board of Education (Board) regarding the Superintendent's Proposed Budget and any other budgetary issues the CBRC or the Board identify. The CBRC also monitors and advises the Board on the allocation and expenditure of Local Option Levy funds, which will be completed under separate cover.

Context Setting and Special Considerations

The FY21-22 budget review process has been challenging for both PPS finance staff and the CBRC. Physical distancing requirements related to COVID-19 continued to disrupt the usual budget review process and meeting schedule, while continual funding stream changes made for a moving target for staff analysis and planning.

There are significant limitations around our ability to provide a comprehensive report and recommendations to the Board. The continued uncertainty around how schools will reopen this fall—despite Superintendent Guerrero's commitment to a full, five-day per week in-person return—makes it very difficult to evaluate whether the proposed budget will ultimately be responsive to the new reality we face. Regardless, we feel all parties have worked more diligently and closely together than any year prior, and we are optimistic about future collaboration as we welcome Chief Financial Officer Nolberto Delgadillo to the district.

Budget Observations

Focus of Review: Four Board Goals

The primary focus of the CBRC's review is tied to the four goals articulated by the Board as the result of a comprehensive visioning process completed in 2019. Those goals being: third-grade reading, fifth-grade mathematics, eighth-grade Snapshot of Graduate performance, and postsecondary readiness/ready for college and career. Of the four goals, we believe the fifth-grade math goal is most at risk for not being met. The MAP testing done this winter shows math growth is lagging, especially for our fifth, seventh, and eighth-graders.

Observations

1. We believe the budget demonstrates substantial support for the four Board goals. This budget, however, rests upon several assumptions, including a return to full-time in-person attendance and a student population projection at the same levels of 2019-2020. If these assumptions hold, then the flat staffing model from 2019-2020 should provide adequate levels of

service that previously saw increases towards the specified board goals. If those assumptions are incorrect or the limited MAP testing in the past year did not catch the full extent of declines in academic progress, then we may see further regression. We further note that we continue to lack direct measures of the goals set for eighth-grade Snapshot of Graduate performance and postsecondary readiness.

2. We believe the Superintendent and Board are deeply committed to racial equity and social justice and that the Racial Equity and Social Justice (RESJ) lens has improved the District's focus on historically underserved students. This year's addition of a critical analysis from staff of budget changes with the specific lens of the RESJ process makes substantial progress in helping the community understand the intended impact of budget changes. We have also seen a concerted effort to reflect the diversity of our community in the makeup of central office staff and believe that these efforts are critical to implementing the RESJ lens district-wide.

3. We also believe the Board and Superintendent have overall crafted a budget that is squarely focused on investing in historically underserved students, and specifically Black and Native students. In addition to the continued allocation of equity funds and Student Success Act funds, the proposal to target federal relief funds to summer acceleration programs focused on the highest needs population is welcome.

4. The equity allocation of 8% of the staffing model at targeted schools has held steady since FY16- 17. We continue to support this investment and approach and note that the visibility in the Budget Book, Volume Two, is a valuable tool to demonstrate transparency to the community. However, only providing school-level staff allocation lacks the transparency into intended uses and accountable outcomes that we wish to see.

5. We acknowledge that the district faces significant challenges created by the pandemic and its lingering effects on enrollment, facilities, academic, and social-emotional needs of students, and urge the district to take a "do now, build toward" approach which can help the district emerge stronger and healthier than it was prior to the pandemic. In the "do now" category, we want to underscore the need for one-time federal funds to be immediately used for equity-focused activities such as high-dosage tutoring, small group instruction, extended core instructional time in specific grades and subjects, and mentoring and other social-emotional supports. In the "build toward" category, we urge the district to invest in more learning time via extended days or years, "intersessions," and ongoing high-intensity tutoring; smaller class sizes in priority grades and subjects where needs are greatest, offset by larger class sizes elsewhere; integrated learning systems across live and asynchronous platforms; and specialized and advanced high school classes offered online to maximize access and free teachers for more individualized instruction. In sum, we urge the Board and district to use all resources at its disposal to not just fill holes, but plant seeds for long-term change.

6. We continue to believe cuts, now reaching \$3 million, to central services may be unwise and unsustainable, as they may result in essential services and support to schools being carried out poorly or, in some cases, not at all. While we understand and appreciate the emphasis on

ensuring ample funding is set aside for schools, we believe that the district is underinvesting in centralized positions designed to ensure schools and students are supported.

7. Lastly, we appreciate that PPS maintained the winter administration of the MAP assessment and strongly encourage the district to resume administration in the fall. We are cautiously optimistic about some of the results, particularly in reading. However, we want to fully acknowledge the limitations of this administration, namely lower participation rates, especially among BIPOC students, resulting in overrepresentation of white students. We want to further emphasize that MAP testing measures reading and mathematics and acknowledge the importance of a suite of assessment instruments that help paint a complete picture of students' social, emotional, and academic well-being.

Recommendations

1. We recommend additional investment in K-3 literacy. While all students have been affected by the limitations of distance learning, younger students, in particular, have a more difficult time self-directing. Reductions in learning progress were not as severe as feared; however, we are still far from meeting the Board adopted goal of having 60% of third-graders reading proficiently by the end of the 2021-2022 school year. Targeted investments of one-time Federal money may increase progress towards this goal. This investment must also be paired with a plan to reduce the achievement disparities within historically underserved groups.

2. We recommend that PPS continue to advocate for protecting and increasing the K-12 budget for Oregon school districts. Class sizes, even net of Student Success Act investments, remain unacceptably high, and in particular additional state funding could be used to make strategic reductions to class size in certain grades and subjects that demonstrate the greatest need. The Oregon Department of Education Quality Education Model recommended funding level has still not been achieved. While the Student Success Act was a big step in the right direction, the overall investment in Oregon's students is still not adequate. The state legislature's proposal to reduce state funding for education on account of the federal money received by schools is an unacceptable disinvestment in our schools.

3. We recognize that the current budget makes assumptions about the state of school attendance in the fall and beyond, including full-time in-person attendance of all students with opt-outs moving to an online "virtual academy" disassociated from their neighborhood school. Given the volatility of the situation we have witnessed over the past year, we recommend that the district take a proactive approach and develop contingency plans, with public participation, that center vulnerable populations, such as special education students, to address eventualities. This work should happen now, rather than toward the middle and end of the summer which will impact families' and students' ability to plan for their return to school.

4. We recommend increased investment in recruiting, supporting, and retaining teachers of color even as the district faces budget constraints. We cannot afford to lose ground on the early progress we've made; to be clear, our Black and Native students will stand to lose the most if

we back off on our commitments. Making a deliberate investment in supporting teachers of color, who are essential to supporting students and ensuring equity, will go a long way toward improving school climate and creating better schools for the future. We recognize that there have been some budget allocation towards this, but we still lack measures of the work being done in this area, whether it is likely to achieve the outcomes we desire, and whether the investment is adequate. We also have concerns about staff burnout and demoralization that may affect the district's ability to address bringing students back up to level and supporting students as we move out of the pandemic.

5. We note that the State formula for Alternative/CBO (community-based organizations) schools, servicing some of the District's most historically underserved students, provides for funding at 80% of the funding levels provided to students at other schools. We recommend that the Board urge the Legislature to raise the formula to 100% while also increasing the funding by at least 10% over State funding in this budget regardless.

6. The budget process continues to be opaque to people who are not well versed in governmental budgeting. We recommend continued work on developing summaries and focused explanations of budgetary decisions, the intended effects, and the accountable outcomes for general audiences.

7. We recommend targeting federal funds towards partnership with CBOs to provide a more culturally responsive approach to engaging students, closing achievement gaps, and making up for learning loss. Partnerships with CBOs can also provide culturally responsive approaches to preparing high schoolers to be successful post-high school and transition out of high school. These investments would represent movement on several of the Board's articulated goals.

8. We recommend that School Improvement Plans be made publicly available for each school. Equity allocations are provided to almost all schools, with plans being made to utilize those allocations to achieve desired improvements. However, those plans, and the accountability for tracking outcomes, are not shared externally; this undermines our stated commitments to being transparent and making data-driven decisions. We must commit to measuring our progress in quantitative (MAP testing) and qualitative (school climate surveys) ways and enter into honest, direct conversation with school communities about how we will continue to improve. For several years now, including in the current proposed budget, PPS invests \$140,000 in a contract with Panorama to administer school climate surveys, the results of which, for at least the past four years the current co-chairs have served on the CBRC, have not been made available until well after the budget is adopted. We must collect a richer array of information and ensure it is available and used to inform planning and budgeting.

9. Custodial, Grounds, and Maintenance staff has historically been acknowledged as an area that was inadequately funded. The current budget has made targeted investments to improve that. However, we lack data and standards to understand whether the investments are adequate to support our district in the near term or to protect the substantial work being done to rebuild our aging schools. Therefore, we recommend that the district identify industry standards for

staffing and investment needs and establish a plan to achieve a sustainable level of required work.

Closing Remarks

CBRC is deeply appreciative of Superintendent Guerrero's leadership, and in particular, his commitment to ensuring the needs of our district's most historically underserved students are prioritized during this challenging time. The fact is, we have substantial work to do to meet our goals, including work to undo decades of inequitable investments and systems that have served to protect white privilege at the expense of Black and Native students and families. We call on the Board to adopt a budget that reflects these commitments and keeps us on an urgent, focused path toward a more equitable and excellent system of schools. Even in the face of uncertainty or delays to our planned timeline, our students cannot afford anything less.

CBRC respectfully submits this report to the PPS Board of Education:

Sara Kerr, Co-Chair

Judah McAuley, Co-Chair

Parker Myrus, Co-Vice Chair and Student Representative

Irina Phillips, Co-Vice Chair

Tastonga Davis

Roger Kirchner

Brad Nelson

Leesha Posey

Jennifer Samuels

Hoang Samuelson

Lisa Selman

Renee Watson

Elona Wilson

Jackson Weinberg, Student Representative

Major Variance by Program

Function	Function Description	M98			SIA			Title			Total		
		2020-21*	2021-22	Variance	2020-21	2021-22	Variance	2020-21	2021-22	Variance	2020-21	2021-22	Variance
1111	ELEMENTARY K-5			\$ -	\$ 249,575	\$ 4,762,014	\$ 4,512,439	\$ 1,185,223	\$ 2,072,183	\$ 886,960	\$ 1,434,798	\$ 6,834,197	\$ 5,399,399
1121	MIDDLE SCHOOL PROGRAMS			\$ -	\$ 44,073	\$ 2,437,315	\$ 2,393,242	\$ 348,410	\$ 809,196	\$ 460,786	\$ 392,483	\$ 3,246,511	\$ 2,854,028
1122	MIDDLE SCHOOL EXTR CURRICULAR			\$ -	\$ -	\$ 73,770	\$ 73,770	\$ -	\$ -	\$ -	\$ -	\$ 73,770	\$ 73,770
1131	HIGH SCHOOL PROGRAMS	\$ 4,555,681	\$ 3,136,068	\$ (1,419,613)	\$ -	\$ 459,457	\$ 459,457	\$ -	\$ -	\$ -	\$ 4,555,681	\$ 3,595,525	\$ (960,156)
1132	HIGH SCHOOL EXTRA CURRICULAR	\$ 25,819	\$ 3,292	\$ (22,527)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,819	\$ 3,292	\$ (22,527)
1140	PRE-KINDERGARTEN PROGRAMS			\$ -	\$ -	\$ -	\$ -	\$ 751,760	\$ 886,160	\$ 134,400	\$ 751,760	\$ 886,160	\$ 134,400
1200	SPECIAL PROGRAMS			\$ -	\$ 0	\$ -	\$ (0)	\$ -	\$ -	\$ -	\$ 0	\$ -	\$ (0)
1221	Restrictive Programs			\$ -	\$ 45,249	\$ -	\$ (45,249)	\$ -	\$ -	\$ -	\$ 45,249	\$ -	\$ (45,249)
1251	Less Restrictive Programs			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1260	EARLY INTERVENTION			\$ -	\$ -	\$ 227,007	\$ 227,007	\$ -	\$ -	\$ -	\$ -	\$ 227,007	\$ 227,007
1272	Title I			\$ -	\$ -	\$ -	\$ -	\$ 4,416,770	\$ 4,371,161	\$ (45,609)	\$ 4,416,770	\$ 4,371,161	\$ (45,609)
1282	PRIVATE ALTERNATIVE PROGRAMS			\$ -	\$ 280,031	\$ 2,351,606	\$ 2,071,575	\$ -	\$ -	\$ -	\$ 280,031	\$ 2,351,606	\$ 2,071,575
1283	DISTRICT ALTERNATIVE PROGRAMS			\$ -	\$ -	\$ 2,992,585	\$ 2,992,585	\$ 106,369	\$ 108,600	\$ 2,231	\$ 106,369	\$ 3,101,185	\$ 2,994,816
1288	Charter Schools			\$ -	\$ 354,511	\$ -	\$ (354,511)	\$ -	\$ -	\$ -	\$ 354,511	\$ -	\$ (354,511)
1289	Contract Programs			\$ -	\$ 129,882	\$ 272,952	\$ 143,070	\$ 237,893	\$ 124,610	\$ (113,283)	\$ 367,775	\$ 397,562	\$ 29,787
1291	ENGLISH SECOND LANGUAGE PRGS			\$ -	\$ -	\$ 85,505	\$ 85,505	\$ 1,204,939	\$ 1,044,546	\$ (160,393)	\$ 1,204,939	\$ 1,130,051	\$ (74,888)
1293	Migrant Education			\$ -	\$ -	\$ -	\$ -	\$ 236,765	\$ 347,300	\$ 110,535	\$ 236,765	\$ 347,300	\$ 110,535
1299	Private School Instruction			\$ -	\$ 50,043	\$ 167,867	\$ 117,824	\$ 1,126,823	\$ 1,366,877	\$ 240,054	\$ 1,176,867	\$ 1,534,744	\$ 357,877
1400	SUMMER SCHOOL PROGRAMS			\$ -	\$ -	\$ -	\$ -	\$ 297,253	\$ -	\$ (297,253)	\$ 297,253	\$ -	\$ (297,253)
1410	Summer School, Elem			\$ -	\$ -	\$ -	\$ -	\$ 13,342	\$ 889,721	\$ 876,379	\$ 13,342	\$ 889,721	\$ 876,379
1430	Summer School, High	\$ 200,000	\$ -	\$ (200,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ -	\$ (200,000)
2112	Attendance Services	\$ 212,991	\$ -	\$ (212,991)	\$ -	\$ -	\$ -	\$ -	\$ 165,464	\$ 165,464	\$ 212,991	\$ 165,464	\$ (47,527)
2113	Social Work Services	\$ -	\$ 52,834	\$ 52,834	\$ 3,562,503	\$ 3,600,033	\$ 37,530	\$ 169,070	\$ 275,038	\$ 105,968	\$ 3,731,573	\$ 3,927,905	\$ 196,332
2114	SPED Data Services			\$ -	\$ 101,583	\$ 107,114	\$ 5,531	\$ -	\$ -	\$ -	\$ 101,583	\$ 107,114	\$ 5,531
2115	Student Safety			\$ -	\$ -	\$ -	\$ -	\$ 247,842	\$ 172,211	\$ (75,631)	\$ 247,842	\$ 172,211	\$ (75,631)
2119	Child Development Services			\$ -	\$ 70,732	\$ 46,774	\$ (23,958)	\$ 104,459	\$ 83,848	\$ (20,611)	\$ 175,190	\$ 130,622	\$ (44,568)
2121	Service Area Direction	\$ 34,656	\$ -	\$ (34,656)	\$ 88,658	\$ 176,381	\$ 87,723	\$ -	\$ -	\$ -	\$ 123,314	\$ 176,381	\$ 53,067
2122	Counseling Services	\$ 2,225,167	\$ 1,418,942	\$ (806,225)	\$ 3,353,077	\$ 3,163,357	\$ (189,720)	\$ 2,508,156	\$ 318,127	\$ (2,190,029)	\$ 8,086,401	\$ 4,900,426	\$ (3,185,975)
2124	Student Guidance Information	\$ 87,014	\$ 257,815	\$ 170,801	\$ 50,146	\$ 54,322	\$ 4,176	\$ 149,331	\$ 112,607	\$ (36,724)	\$ 286,491	\$ 424,744	\$ 138,253
2126	Vocational Education	\$ 2,227,187	\$ 3,139,244	\$ 912,057	\$ 184,934	\$ -	\$ (184,934)	\$ -	\$ -	\$ -	\$ 2,412,121	\$ 3,139,244	\$ 727,123
2142	Psychological Testing Services			\$ -	\$ 351,096	\$ 495,217	\$ 144,121	\$ -	\$ -	\$ -	\$ 351,096	\$ 495,217	\$ 144,121
2152	Speech Pathology			\$ -	\$ 83,059	\$ -	\$ (83,059)	\$ -	\$ -	\$ -	\$ 83,059	\$ -	\$ (83,059)
2160	OTHER STUDENT TREATMENT SVCS			\$ -	\$ 198,426	\$ 339,057	\$ 140,631	\$ -	\$ -	\$ -	\$ 198,426	\$ 339,057	\$ 140,631
2190	SVC DIRECTION-STUDENT SUPPORT			\$ -	\$ -	\$ -	\$ -	\$ 325,509	\$ 505,624	\$ 180,115	\$ 325,509	\$ 505,624	\$ 180,115
2210	IMPROVEMENT OF INSTRUCTION			\$ -	\$ -	\$ -	\$ -	\$ 40,912	\$ -	\$ (40,912)	\$ 40,912	\$ -	\$ (40,912)
2211	Service Area Direction	\$ 30,441	\$ -	\$ (30,441)	\$ 282,550	\$ 115,669	\$ (166,881)	\$ 212,045	\$ 254,732	\$ 42,687	\$ 525,037	\$ 370,401	\$ (154,636)
2222	Library/Media Services			\$ -	\$ -	\$ 29,084	\$ 29,084	\$ 173,034	\$ 127,674	\$ (45,360)	\$ 173,034	\$ 156,758	\$ (16,276)
2229	Textbook Services			\$ -	\$ -	\$ -	\$ -	\$ 80,209	\$ -	\$ (80,209)	\$ 80,209	\$ -	\$ (80,209)
2240	INSTRUC STAFF DEVELOPMENT	\$ 1,929,408	\$ 2,917,747	\$ 988,339	\$ 1,867,625	\$ 4,103,436	\$ 2,235,811	\$ 1,457,956	\$ 579,193	\$ (878,763)	\$ 5,254,990	\$ 7,600,376	\$ 2,345,386
2241	Instr Staff Training Svcs	\$ 2,279,957	\$ 283,529	\$ (1,996,428)	\$ 280,549	\$ 859,798	\$ 579,249	\$ 1,830,100	\$ 1,058,327	\$ (771,773)	\$ 4,390,607	\$ 2,201,654	\$ (2,188,953)
2410	OFFICE OF THE PRINCIPAL SVCS	\$ 653,537	\$ 1,334,175	\$ 680,638	\$ 119,434	\$ 407,090	\$ 287,656	\$ 116,503	\$ 107,343	\$ (9,160)	\$ 889,474	\$ 1,848,608	\$ 959,134
2521	Direction of Fiscal Services	\$ 579,238	\$ 501,751	\$ (77,487)	\$ 500,000	\$ 500,000	\$ -	\$ 794,170	\$ 820,911	\$ 26,741	\$ 1,873,408	\$ 1,822,662	\$ (50,746)
2542	CARE AND UPKEEP OF BUILDINGS			\$ -	\$ 145,000	\$ -	\$ (145,000)	\$ -	\$ -	\$ -	\$ 145,000	\$ -	\$ (145,000)
2621	Service Area Direction			\$ -	\$ -	\$ 1,422,466	\$ 1,422,466	\$ -	\$ -	\$ -	\$ -	\$ 1,422,466	\$ 1,422,466
2663	PROGRAMMING SERVICES			\$ -	\$ -	\$ 515,529	\$ 515,529	\$ -	\$ -	\$ -	\$ -	\$ 515,529	\$ 515,529
3300	Community Svcs			\$ -	\$ 1,760,500	\$ 1,760,500	\$ 1,760,500	\$ 610,111	\$ 972,902	\$ 362,791	\$ 610,111	\$ 2,733,402	\$ 2,123,291
	Grand Total	\$ 15,041,096	\$ 13,045,397	\$ (1,995,699)	\$ 12,392,738	\$ 31,525,905	\$ 19,133,167	\$ 18,744,954	\$ 17,574,355	\$ (1,170,599)	\$ 46,178,788	\$ 62,145,657	\$ 15,966,869

*Includes approximately \$4M of carryover from prior year

Program	Program Description	M98			SIA			Title			Total		
		2020-21	2021-22	Variance	2020-21	2021-22	Variance	2020-21	2021-22	Variance	2020-21	2021-22	Variance
1000	INSTRUCTION	\$ 4,781,500	\$ 3,139,360	\$ (1,642,140)	\$ 1,153,364	\$ 13,830,078	\$ 12,676,714	\$ 9,925,547	\$ 12,020,354	\$ 2,094,807	\$ 15,860,411	\$ 28,989,792	\$ 13,129,381
2000	SUPPORT SERVICES	\$ 10,259,596	\$ 9,906,037	\$ (353,559)	\$ 11,239,374	\$ 15,935,327	\$ 4,695,953	\$ 8,209,296	\$ 4,581,099	\$ (3,628,197)	\$ 29,708,266	\$ 30,422,463	\$ 714,197
3000	ENTERPRISE AND COMMUNITY SVCS	\$ -	\$ -	\$ -	\$ 1,760,500	\$ 1,760,500	\$ 1,760,500	\$ 610,111	\$ 972,902	\$ 362,791	\$ 610,111	\$ 2,733,402	\$ 2,123,291
	Grand Total	\$ 15,041,096	\$ 13,045,397	\$ (1,995,699)	\$ 12,392,738	\$ 31,525,905	\$ 19,133,167	\$ 18,744,954	\$ 17,574,355	\$ (1,170,599)	\$ 46,178,788	\$ 62,145,657	\$ 15,966,869

FY22 Proposed Budget Category Investment & Primary Funding Source Estimates & Initial Planning*

This is an initial snapshot of various investments across various funding streams leading into next year to develop the response to the pandemic and alignment to our current system shifts.

The goal of this table is to shed some light into the overlay between strategic system shifts, activities and how the braiding of several funds will help make this happen.

System Shift/Investment Focus	Category	Primary Funding Source					Grand Total**
		Bond	Federal ESSER	General Fund	State Summer Fund	Student Success Act	
1: COVID Supports	Covid/CDL		\$10,231,379				\$10,231,379
	School Staffing		\$5,060,000	\$1,000,000			\$6,060,000
	Strategic Planning			\$372,000			\$372,000
1: COVID Supports Total			\$15,291,379	\$1,372,000			\$16,663,379
2: Learning Acceleration & Extended Learning Plan	Learning Acceleration - Summer				\$14,700,000		\$14,700,000
2: Learning Acceleration & Extended Learning Plan Total					\$14,700,000		\$14,700,000
A: A Connected and Transformative School District	Operations			\$123,818			\$123,818
	School Operations			\$1,812,680			\$1,812,680
	Strategic Planning			\$261,000			\$261,000
A: A Connected and Transformative School District Total				\$2,197,498			\$2,197,498
B: Racial Equity Aligned Systems, Structures, and Culture	Learning Acceleration		\$1,487,780				\$1,487,780
	Learning Acceleration - Summer					\$422,500	\$422,500
B: Racial Equity Aligned Systems, Structures, and Culture Total			\$1,487,780			\$422,500	\$1,910,280
C: Cultivating System-Wide Learning and a Diverse Workforce	Strategic Planning			\$600,000			\$600,000
C: Cultivating System-Wide Learning and a Diverse Workforce Total				\$600,000			\$600,000
D: Transformative Curriculum and Pedagogy	Learning Acceleration		\$8,992,752	\$230,000		\$2,666,000	\$11,888,752
	Learning Acceleration - Summer		\$200,000			\$4,050,000	\$4,250,000
	School Staffing		\$1,221,337	\$1,955,000		\$925,000	\$4,101,337
	Strategic Planning		\$2,000,000				\$2,000,000
D: Transformative Curriculum and Pedagogy Total			\$12,414,089	\$2,185,000		\$7,641,000	\$22,240,089
E: A Culture of Physical and Emotional Safety	Learning Acceleration		\$1,027,000			\$2,490,690	\$3,517,690
	School Operations			\$642,709			\$642,709
	School Staffing			\$970,000			\$970,000
E: A Culture of Physical and Emotional Safety Total			\$1,027,000	\$1,612,709		\$2,490,690	\$5,130,399
X: Cross Shift Strategies	Strategic Planning	\$525,000		\$345,000			\$870,000
X: Cross Shift Strategies Total		\$525,000		\$345,000			\$870,000
Grand Total**		\$525,000	\$30,220,248	\$8,312,207	\$14,700,000	\$10,554,190	\$64,211,645

*This table represents a non-exhaustive list of critical investments in the Proposed FY21-22 budget that enhance service level investments and do not represent total fund amounts.

**Totals are based on April snapshot and will be contingent on several factors primarily based on: final adopted budget, carry over totals from prior year, actual expenditures

inclusive of summer fiscal-year transition and response to RFPs

FY2021-22 Budget Questions

FY 2021-22 Budget

5/5/2021

Question #	Question	Response
1	<p>I believe the Board presentation mentioned additional investments in custodial staff. Can you please let me know how much additional funding is being invested and how many additional FTE will be hired?</p> <p>If the information is available I would be interested in a historical analysis of custodian FTE. I was recently told that in the early 2000s PPS had 445 FTE custodians. How does that compare to today? Is the space being cleaned relatively consistent or has it increased or decreased?</p> <p>Finally, are there metrics that the district uses to gauge the appropriate level of custodians, for instance square footage/custodian? Are there national metrics available, and if so where does PPS rank?</p> <p>Thank you!</p>	<p>The 2020/21 FY budget includes 341.25 FTE for custodians (312 full time and 40 part time positions). The proposed 2021/22 FY budget increases the FTE by 37; 7.0 to account for additional facilities that will be maintained by Facilities Operations next year; most notably the new Kellogg MS, and two spaces being vacated by long term tenants and replaced with PPS programs (Kenton and Terwilliger) and additional 30 FTEs for district wide support.</p> <p>Unfortunately accurate FTE data from the 1990's and early 2000's is not readily available electronically. Maintenance & Operations has looked for specific data (and continues to do so) and estimates FTE in the early 2000's was approximately 450 FTE. It's worth noting PPS outsourced all custodial staff for a period of time in the early 2000s and have been consistently adding custodial FTE since returning to an in-house model. As a more recent comparable, custodial FTE in FY2016/17 was 298.50 FTE for custodians (255 full time and 60 part time positions).</p> <p>Also worth noting is that Maintenance & Operations is currently creating a number of tools/standards that will assist routine maintenance and capital planning in years to come, including the development of a Facilities & Operations Maintenance Plan. Staff are currently working with a 3rd party consultant to create this Plan that, among other uses, will analyse PPS's level of service against Association of Physical Plant Administrators (APPA) Facility Performance Index and provide details on staffing and resource needs. The APPA is recognized industry expert for custodial and maintenance standards. The APPA identifies 5 levels of services for custodial operations; 1 being the highest and 5 being the lowest. Several variables go into this calculation that require analysis and professional judgment (including size and types of spaces, regular duties of custodians, amount of absenteeism, etc). Specific details will be available when the Plan is complete later this year, however initial estimates place current custodial funding levels between level 3 and 4.</p>

2	<p>I'm interested in the total level of operations and maintenance (O&M) funding in the FY 2021-22 budget. This is not a straightforward issue to analyze and I recognize we may not have this readily available. What I would like to get at is whether or not we are investing adequate O&M to at least maintain our assets in their current condition (if not improve them). This is particularly important given the billions of bond dollars that have been and will be invested in new infrastructure. I want to make sure, at a minimum, that we are investing enough in those facilities to prevent the deterioration of those assets.</p> <p>If not (and I'm pretty sure we're not) can we estimate the amount that should be spent on O&M and the delta from where we are currently?</p> <p>Thanks!</p>	<p>As noted above in question #1, this specific question is being analyzing right now via the development of the Facilities & Operations Maintenance Plan, which also dovetails with the Facilities Condition Assessment (completed in 2020), Long Range Facilities Plan (being update in 2021) and the 5-Year Capital Plan (to be completed in 2021).</p> <p>The APPA's Facility Performance Index (APPA FPI) survey provides information regarding maintenance budgets for Educational Facilities in the industry. APPA FPIs survey results provide a cost per square foot being spent on maintenance. This information provides a general guideline for what other facilities groups have spent. The survey indicates the average maintenance cost per square foot, industry wide, for FY 2019/2020 was \$1.57 per square foot, equivalent to \$14.64 million for PPS. For FY 2019/2020 the PPS Maintenance budget was \$12.76 million or \$1.37 per square foot. An annual increase of \$1,883,172 is necessary to align the PPS Maintenance budget to current industry standards for our approximately 9 million square feet.</p> <p>$\\$1.57 \times 9,327,318.52 \text{ sq ft} = \\$14,643,890$ PPS Budget \$12,760,718 / 9,327,318.52 = \$1.37 per sq ft (APPA Standards FY 2019/2020)</p> <p>The Facilities & Operations Master Plan document that will provide far greater detail and context relating to these numbers and standards and will be an essential planning tool going forward.</p>
4	<p>(Dr. Brown) Could you provide a list of schools sorted by \$ per student? We have the sort by direct meal certification but that's a little different than ranked order by spending.</p>	<p>Here is the list of schools sorted by spending.</p> <p>https://drive.google.com/file/d/1tRNDUT86II5fQYZWUDlweZbq0In_SOgn/view?usp=sharing</p>
5	<p>Can you provide a written explanation for Fund 308, the PERS UAL Fund? Where it came from, what's its purpose, what are our plans for it. Are we spending any of it? What if any are the restrictions? Do we need this over the coming decade to minimize the impact of rising PERS rates?</p>	<p>Fund 308 is the Debt Service fund used to make PERS bond payments. The district has issued bonds three times since 2002, and this fund is specifically for making annual principal and interest payments for these bonds.</p> <p>PPS borrows by issuing bonds at low interest rates and sends the proceeds to PERS to be invested; if earnings exceed the borrowing rate, PPS saves. PPS has saved \$283 million on PERS costs since the first bond issuance in 2002. PERS bond funds are deposited into Side Accounts and invested with the rest of the PERS fund. Earnings/losses are credited directly to the PPS Side Account. Side Accounts are drawn down and provide 'rate credit' over 20 years.</p> <p>PERS bond payments are expensed as a percentage of payroll costs and accumulate in Fund 308 and the bond payments are issued from the fund. We expense through payroll processing what is needed for the debt annually, and will need the fund for the duration of the bonded debt payments.</p>
6	<p>What percentage of the General Fund budget (not counting special revenues) is allocated to personnel?</p>	<p>77% of the general fund revenue is dedicated to personnel (salary and additional payroll costs)</p>
7	<p>What were our actual property tax and local option revenue collection for the 20/21 school year? And what was the budgeted amount?</p>	<p>General Fund: <u>Actual Property Tax</u> collected for FY2020-21(as of March Close) is \$248,740,717. This is approximately 97% of budget collected; we will see the rest collected over the course of the final three months of the year, most of which will post in June. We are currently projecting \$259,777,668 based on weighted average rate over the past 7 years of Actuals. This means we are expecting \$4,975,570 more than <u>Budgeted amount for Property Tax</u> of \$254,802,098. <u>Actual Local Option Tax</u> collected is \$98,552,380, which also is about 97% of budget collected. We project \$102,839,770 in actuals, which is \$941,776 more than the <u>Budgeted amount</u> of \$101,897,994. Please refer to the tab labeled "FY21 Tax B2A" for details.</p>

8	Given that the budget has not carried forward 20/21 enrollment loss numbers (due to COVID) do we anticipate making October adjustments if we see significant enrollment deviations in schools, or is 21/22 a "hold harmless year" for enrollment?	As schools open in the fall, we will review class sizes across the district. We will compare actual enrollment to enrollment projections and determine how much revenue we will receive in comparison to resources being spent. The district will manage the budget and enrollment using multiple strategies to balance class size including the possibility of adding or transferring teachers depending on the overall financial implications. There will also be the possibility to use federal funds as needed.
9	In the ppt, Debt Service Funds are separated out and defined as including ad valorem taxes + other levies. But local property taxes, the Local Option Levy, arts tax, and MESD are included under General Fund. What other ad valorem taxes are there?	The taxes for our General Obligation Bonds that support our school modernization, health and safety improvements, HVAC and roof replacements, curriculum, technology, and other capital bond projects are collected and paid in the Debt Service Funds.
10	What are the implications for PPS if the SSF is adopted at the proposed \$9.1B level?	The proposed budget is based on receiving a \$9.3B funding level for the State School Fund. If the funding level comes in lower, we will need to use ESSER funding or delay some investments. For the longer term, lower funding levels for general fund will make it more difficult to maintain the level of service needed to educate students. The good news is there is more and more support for the \$9.3B funding at the state legislature.
11	Does the \$58M for technology infrastructure include investments toward redressing the issues in the security and enterprise infrastructure that were identified in previous years?	Yes, the Bond does address the technical debt the district has been struggling with for many years. This includes wireless coverage across all schools, refreshing existing wireless infrastructure, replacing old and end of life switching infrastructure. All of the technology infrastructure immediate needs are addressed with Bond funds. These funds will also cover the purchase of critical security tools, appliances, and software to enable us to enact our Cybersecurity/Cybersafety roadmap.
12	Why is per person funding at Rigler decrease when many comparable schools did not receive a decrease.	<p>Their enrollment has decreased from being projected to have 294 students enrolled in 2020-21 to being projected to have only 268 students in 2021-22. Enrollment projections drive revenue and in general this often accounts for a reduction in FTE/funds.</p> <p>The second more specific reason is that we staff elementary schools based on sections per grade level. At Rigler, the loss in enrollment has meant that they do not have enough students at certain grade levels to fund the same number of teachers from year to year. In Kindergarten at CSI schools, a homeroom teacher is generated for every 24 students. For 2020-21, they were projected to have over 48 Kindergarten students and therefore were staffed with three Kindergarten teachers. Each Kindergarten class at CSI schools is also staffed with a full-time educational assistant. For 2021-22, they are projected to have 48 students and therefore will only be staffed with two teachers. The loss of one Kindergarten homeroom teacher also means the loss of one educational assistant. A similar thing is happening in 1st grade where teachers are assigned for every 26 students resulting in the loss of another teacher for the 2021-22 school year.</p>
13	What would it take to increase all employees below \$15/hr to \$15/hr min wage? If it is easy to also share, what would the salary compression impact be?	There is one set of part-time employees who have not reached \$15/hr as a starting wage. This cost estimate to increase to \$15/hr would be \$150,000. We have not calculated the compression impact as this would need to be bargained.
14	What are the \$3 million worth of reductions made in General Fund?	The proposed \$3M in reductions are approximately split as follows: a) \$1M vacant roles in business/operations (IT, Maintenance & Ops) b) \$250K in professional development, b) \$1.7M central office non-personnel: contract savings, supplies and materials

15	Assuming the SSF at \$9.3B, the PPS budget projects a shortfall of \$19M. What would the shortfall be if the SSF remains at the proposed level of \$9.1B? What cuts would be required to accommodate the increased shortfall?	For each \$100 million of funding that is reduced, there would need to be an approximate \$3.5million reduction in PPS' general fund, specifically the state school fund budget line. Therefore, a change from \$9.3B to \$9.1B would be a reduction between \$7 and \$8 million. However, because our goal is to mitigate disruption and promote as much stability for the upcoming year, we would need to redirect Covid federal relief funds to cover for the shortfall.
16	Is it possible to see an additional breakdown of Title funds and other key special revenue funds similar to how the general fund information is displayed?	For additional insight, we have prepared a report that sheds light on three key funds, M98, SIA and Title (in a format similar to page 88 of the budget book). You can access the report here .



Portland Public Schools

Fiscal Year 2021-22 Proposed Budget



PORTLAND
PUBLIC
SCHOOLS

May 11, 2021



Quick Recap





Proposed Investment Plan: FY2021-22 State Funding Levels

This year's budget coincides with the Oregon Legislature's biennial budget cycle for 2021-23. Portland Public Schools is using the following state funding levels to design its budget:

- \$9.3 billion State School Fund
- \$778.8 million Student Investment Account (SIA)
- \$318.0 million for the High School Success Fund

This translates to PPS proposing a budget of \$2.03 billion for the 2021-22 fiscal year. Our budget is available online at pps.net/Page/1403



The Funds Behind the Budget

Type of Fund	What's it for?	Sources of Revenue?	How much for SY2021-22? (in thousands)
General Fund	The General Fund is the primary day-to-day operating fund of the District. The General Fund's resources are available to the District as needed, provided they are expended or transferred according to resolution or policy. Includes the fund balance (<i>projected to be approximately \$74M</i>). For additional details see pages 85 to 94 of the budget book volume 1	Primary funding source include: -State School Fund -Local property taxes -Local Option Levy -City of Portland Arts Tax -Multnomah Education Service District -Beginning Fund Balance	\$761,700
Special Revenue Fund	The Special Revenue Fund is dedicated revenues such as: Federal, State, Local Grants and Private Donations where the majority of these funds are restricted for specific uses. For additional details see pages 99 to 134 of the budget book volume 1	Primary funding source include: -Federal grants such as Title, IDEA & ESSER -Child Nutrition -Student Investment Account -High School Success (M98) -PERS Rate Stabilization Fund	\$286,245
Debt Service Funds	Accounts for the payment of principal and interest on long-term debt. For additional details see pages 135 to 190 of the budget book volume 1	Primary funding sources include: -Ad-valorem taxes -Other applicable levies	\$210,963
Capital Project Funds	Resources and expenditures used to finance acquisition of technology or construction or renovation of capital facilities. or additional details see pages 135 to 190 of the budget book volume 1	Primary funding sources include: -Proceeds from the sale of general obligation bonds -Construction excise tax -Transfers from other funds -Other revenues authorized for financing capital projects	\$762,605
Internal Service Fund	Accounts for services furnished by one department or agency to another on a cost-reimbursement basis. or additional details see pages 191 to 198 of the budget book volume 1	Primarily other existing funds via a cost-reimbursement basis	\$8,552
		TOTAL BUDGET =	\$2,030,065



Proposed FY2021-22 Investment Plan

Leveraging all funding streams for a robust plan. Non-exhaustive list of examples of key investments:

Learning*

(M = million)

- \$20M to address unfinished learning by more instructional specialists, social workers, special education staff, provide more time for professional development, expanding evening and virtual scholars programs and support a Saturday school.
- \$13M in the staffing plan equity allocation to support socio-economically disadvantaged and historically underserved students.
- \$10M to invest in a community-centered approach for summer enrichment and learning activities in order to provide safe, structured and engaging activities to enhance and expand the learning of our students.
- \$8M to enhance the learning environment by investing in class size stability, full implementation of MAP assessments and Successful Schools Survey, planning for boundary changes and aligning the arts pathway.
- \$7M in Title investments across schools to support early learning, Multi-Tier Support including direct allocations to schools to strengthen academic outcomes.
- \$5M to invest in extending summer access to childcare, extending contracts with SUN & RESJ partners (e.g. IRCO, SEI, Latino Network, NAYA, Indian Ed Summer Bridge) to support students over the summer.

**These are budgeted amounts and final amounts may depend on adopted budget and actual expenditures*



Proposed FY2021-22 Investment Plan

Leveraging all funding streams for a robust plan. Non-exhaustive list of examples of key investments:

Operations*

(M = million)

- \$330M to continue the work in modernizing our high schools, including the investment towards our Center for Black Student Excellence plus investing in environmental health and safety updates.
- \$58M towards investing in our technology infrastructure, including device replacement and classroom modernization.
- \$15M budgeted for the continued efforts towards updating our curriculum across the various academic disciplines.
- \$5M to support COVID recovery, inclusive of serving meals in various learning modes, increased custodial FTEs, prepare for hybrid reversal (e.g. move furniture that was moved off site back into the buildings), continuation of COVID (CDC/ASHRAE) ventilation measures, hotspot coverage.

**These are budgeted amounts and final amounts may depend on adopted budget and actual expenditures*



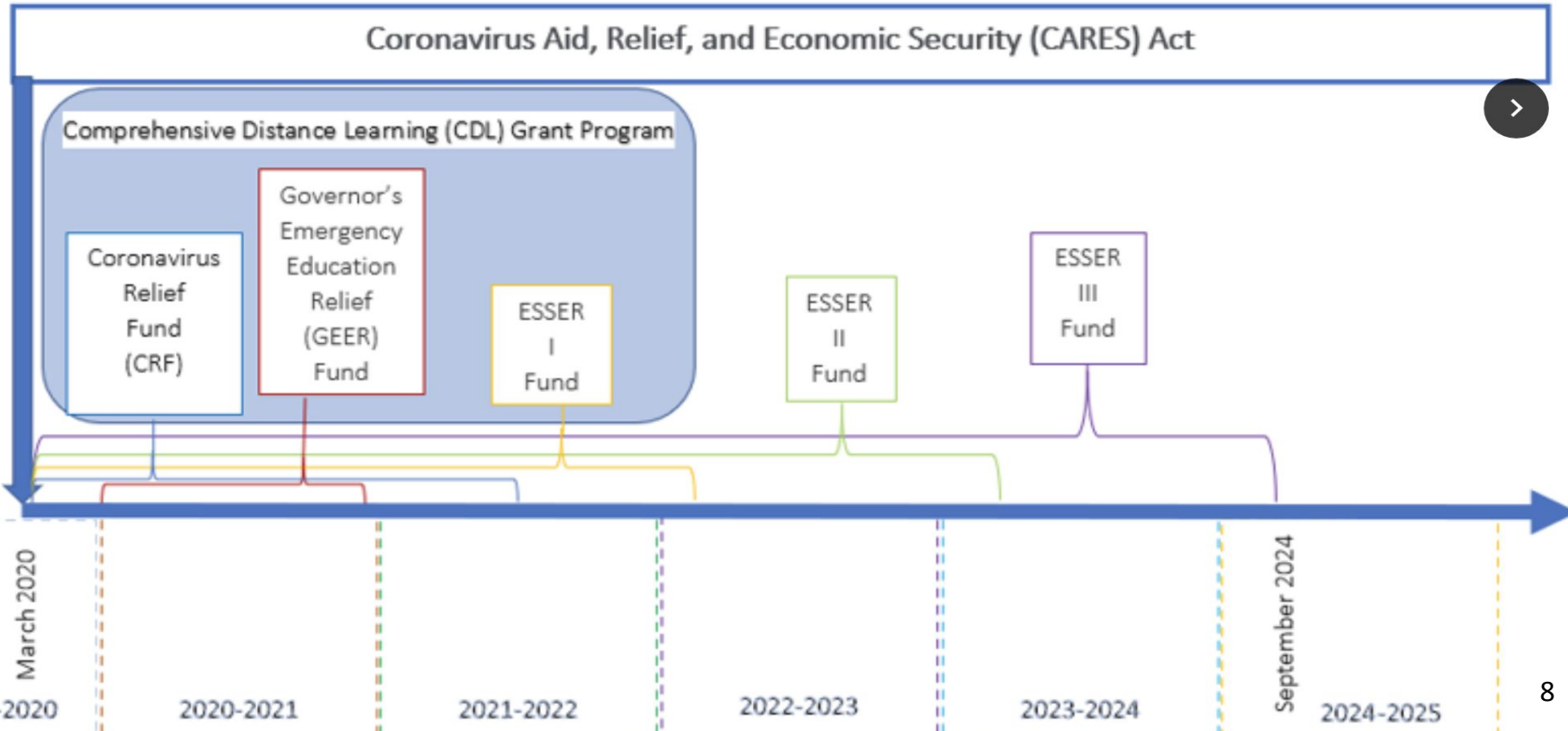
Follow-Ups





Overview of Federal Stimulus Funds: Elementary and Secondary Emergency Relief (ESSER)

Assessing the lifespan of the ESSER funds to build a strategic & sustainable plan



The Elementary and Secondary Emergency Relief (ESSER I/II/III) Funds

U.S. Congressional Action	About How Much for Portland Public Schools?*	Must be Spent /Obligated By	Projected Spend in Current Year FY2020-21**	Examples of Budgeted Investments During the Current Year (FY20-21)**	Projected Spend Between FY2021-22 (next year) and expiration date of funds**	Examples of Continuing Investments**
CARES Act (Coronavirus Aid, Relief, and Economic Security Act, ESSER I Mar-2020)	\$7 million	Sep-2022	\$7M	-\$8.5M to address immediate and urgent needs to get schools ready for in-person learning such as air filtration units & HVAC needs, prepping for hybrid, building/room space modifications prep -\$2.3M in comprehensive distance learning software -\$2.4M in additional supports for Title I schools \$1.8M to support child nutrition services -\$1M to support childcare stipends -\$600k in PPE, cleaning and health	\$0 [†]	Anticipate spending down ESSER I in current year (FY20-21)
CRRS Act (Coronavirus Response and Relief Supplemental Appropriations Act, ESSER II Dec-2020)	\$30 million	Sept-2023	\$11.5M		\$18.5M	<p>Between ESSER II & III Continued focus on safety and preparing for students' needs:</p> <p>-\$10M Address student learning needs (e.g. Saturday school, credit recovery, maintain class sizes, professional development, social workers and wraparound supports as examples) -\$3M continued support for child nutrition -\$1.5 for utilities and ventilation needs</p> <p>Although not all funds have been appropriated, we have until September-2024 to invest, however, these funds will support our plans to to offer a virtual option for families and our expectation that we will fully reopen for five days a week of in-person instruction this coming fall.</p>
American Rescue Plan Act (ESSER III Mar-2021)	\$62 million	Sept-2024	\$0	For ESSER III, current year investment dependant ESSER I/II spending actuals	\$62M	

*Totals are projected balance after passed through and other allocation requirements per federal and state relief guidelines

**Projected estimates as of April-2021; we expect ESSER adjustments pending approval of FEMA reimbursements, State Summer Program & actual expenditures



FY2021-22 Budget Planning Timeline

DATE	UPCOMING KEY ACTIVITIES
<i>April 15</i>	<i>CBRC work session on the proposed budget</i>
<i>April 27</i>	<i>Superintendent's Proposed Budget Message to the Board CBRC in attendance</i>
<i>April 29</i>	<i>CBRC Work session on the proposed budget</i>
May 4	School Board work-session Community Update & Public Comment on the Budget
May 11	CBRC Presents Proposed Budget Report to the Board
May 25	Approved Budget to the Board
June 15	Adopted Budget to Board & TSCC Hearing





Board Discussion

