

Tax Supervising and Conservation
Commission (TSCC) Public Hearing on
the proposed Local Option Levy for
Portland Public Schools
Tuesday, May 7, 2024 5:00 PM

Dr. Matthew Prophet Education Center -
Windows Cafeteria / Conference Room (Floor
2)
501 N. Dixon St.
Portland, OR 97227

Agenda

1. 5:00 pm - Tax Supervising and Conservation Commission (TSCC) Public Hearing on the proposed Local Option Levy for Portland Public Schools, Multnomah County, State of Oregon

TSCC Questions for PPS Local Option Levy Tax Hearing Discussion Meeting

Tuesday, May 7 at 5:00 PM
501 N Dixon St, Portland, OR

1. **A recent report to the Community Budget Review Committee shows the levy supporting 851 positions in FY 22-23, yet the ballot measure estimates the levy will support 660 positions on average going forward. Can you please share with us why the number of supported positions is expected to decrease?**

Positions are based on funding available, and there are two reasons the number of positions funded by the levy has decreased.

1. The initial revenue projection for this levy was completed in 2019. However, the real estate market is very different today than 4 years ago. Based on the most accurate assessed valuation and compression trends from the Multnomah County economist, the revised estimate is approximately \$11 million less than originally projected. The initial estimate was \$116.9 million, and the new estimate is \$106 million. Less revenue means fewer positions.

2. The salaries, benefits, and cost per teacher in the district has also increased since 2019. Now the projected average teacher salary, benefits and total compensation cost for the district is \$147,345 per FTE.

***Follow-up:* The ballot measure indicates funds will be used for both teachers and education support. What is the percentage breakdown of how funds will be used – how many teachers vs. how many educational support staff?**

Portland Public Schools has not proposed a specific percentage for classroom teachers versus classroom support staff for the first or other years of this levy renewal; these are decisions that will be made by the School Board when approving the District's budget each year.

However, in [PPS School Board Resolution No. 6859](#), which referred the levy to the ballot, the Board did commit that, "levy revenue shall be used to fund teaching positions at every school in the District, ensuring students have access to a well-rounded education with many equitable enrichments for elementary and middle grades and focused electives that help prepare high school students for a career or college,

including career and technical programs and Science, Technology, Engineering, and Math (STEM) programs.

As part of the 2025-26 school year budget, the levy revenue could also fund other classroom support positions across the District, such as educational assistants, reading specialists, and special education certified personnel, to help identify students with mental or behavioral health issues, academic issues, or other needs.

Staff Leads: Claire Hertz and Lisa Merrick

2. **The ballot measure calls out having students be career or college-ready – what does that look like in practical terms? Are there specific metrics tied to this goal, and how are those tracked related to levy funds?**

The local option levy funds approximately one-fifth of PPS’s teaching staff, but the funds are not tied to specific positions or student groups. PPS has a multiyear [strategic plan](#) for Racial Equity, Inclusion, and Excellence, developed through conversations and engagement with the greater Portland school community. This plan has specific strategic outcomes including that the district develop a diverse, high-quality, and thriving workforce that is supported in personal and professional well-being and success of PPS graduates. We track student-centered indicators that are disaggregated by race to ensure that students demonstrate postsecondary readiness. The data based on the student-centered indicators is used to guide decision-making around budgeting for staff and programs so that we can take tangible actions to achieve our strategic outcomes.

Staff Leads: Renard Adams

3. **This ballot measure also specifically mentions support for mental health, something not included in prior levy ballot measures. How will these funds be used specifically to support student mental health? And how will you measure whether the funds are making an impact in this area?**

The District supports all students’ access to high-quality teaching and learning through safe and affirming environments that are supported by embedded social emotional learning, restorative justice, and strategic partnerships with community mental and behavioral health organizations. We know these needs have grown since the pandemic, and the levy provides critical funding to support students through a comprehensive approach to academic, mental health, and social-emotional challenges.

Specifically, the levy funds teachers who receive professional learning to deliver trauma-informed social emotional learning curriculum in the classroom every day in direct support of a healing-centered school community.

Additionally, the levy can fund specialized staff that directly support reading and math, counselors, social workers, and access to school-based mental health resources. If passed, the levy funds can support these positions along with classroom supports across the District.

We measure the impact of our investments in mental and behavioral health, the impacts of trauma, and social emotional learning/restorative justice through the annual administration of the successful schools' survey, disciplinary referrals, and mental health referral data.

Staff Leads: Jey Buno and Claire Hertz

4. **Enrollment has decreased in recent years. What trends are you projecting in the years to come? If enrollment continues to decrease, is it possible that you will need fewer teachers? How would that impact your plans for spending the levy and other available funds?**

Trends can change, but as of now, analyses by the Portland State University Population Resource Center project that PPS's enrollment will continue to decline through 2033-34, after which enrollment is projected to stabilize in 2034-35 and then begin to increase again the next year.

However, the costs of providing education continue to increase, and the number of positions being funded by the Local Option Levy has reduced over time.

If enrollment declines continue as projected, we may need fewer teachers; but because the average costs associated with salaries and benefits continue to rise for reasons that are often outside of PPS's control, the levy becomes even more important to maintain the workforce we need to support students, even as adjusted for enrollment in the future.

Follow up: At what point, if any, would you consider reducing the levy amount for tax payers?

That is a difficult question to answer because of the unknown variables that impact district funding needs years from now, including the level of state school funding, our students' needs, and the costs to serve our students. PPS will continuously evaluate

and track our projected costs and available resources to make informed budget decisions to deliver the best possible education to our students.

The levy is among those resources and will continue to be part of that evaluation.

Staff Leads: Claire Hertz and Renard Adams

5. **This is a question for the Board - As the elected decision makers for our school district, you are aware the school district has had challenges in recent years. What is the school district doing to rebuild confidence with voters that the district is heading in the right direction?**

Our entire region, not just PPS, has faced unprecedented challenges over the last few years, and one of our greatest strengths is the resilience of this community and our collective commitment to public education.

As a Board, we are committed to strengthening how we engage and collaborate with the PPS community of families, students, teachers, businesses, and neighbors to build on and restore confidence in our district.

When seeking an interim superintendent, we knew this role was critical in beginning that process of rebuilding. We are fortunate that Dr Husk, a nationally renowned, experienced education leader and superintendent, accepted this role, and, in a short time, has already begun to rebuild the confidence of school leaders. She is supporting us during this difficult budget season and beginning to lay the foundation for the next superintendent and this Board to continue that progress.

But we all play a role as members of the PPS community to rebuild trust and confidence. We also have a responsibility to our students to solve the problems before us, celebrate our strengths, and do so with respect even when we may disagree.

6. **What would happen if the local option levy is not approved by voters? Are there other potential avenues of funding you could pursue?**

The current tax expires in June 2025. If the levy does not pass this election, the Board of Education could choose to refer it to the ballot again in November. If the levy measure does not pass before it is set to expire, the teaching and support positions will not be funded as proposed, and the current property tax of \$1.99 per \$1,000 of assessed property value will not continue. Without the levy funds, PPS would be faced

with a \$100 million budget gap for the 2025-2026 school year and we would be looking at a significant reduction in teaching staff.

As we will discuss soon, we are advocating for improved state funding for education across the state. However, we are not aware of other funding streams that would materially replace the local option levy funds.

Staff Leads: Claire Hertz and Lisa Merrick

7. **It is a challenging time for school funding across the state, and we know funding discussions with the legislature are ongoing. What's your strategy? What changes would you like to see at a state policy level?**

Through many years of volatile budgets and the pandemic, school district leaders have worked to preserve classroom education and class sizes. At the same time, PPS has advocated for a greater level of state investment by the Legislature and worked to ensure that dollars are spent well and focused on the classroom.

PPS has called on the Governor and Legislature to review and change the state school funding formula before the 2025 legislative session. We are urging the state to:

- Modernize and fully fund the Quality Education Model.
- Adjust funding to meet Oregon's urban schools' higher needs and costs.
- Remove the cap on SPED funding
- Remove the limit on local option levy collections to increase rates without losing State School Fund funding.

PPS will continue working with several K-12 organizations, families, and community members to elevate these priorities to the Governor's Office and the Legislature.

***Follow up:* What do you think is a realistic timeline for new state funding strategies to be implemented? What's your timeline goal for seeing change realized?**

School districts across the state, including PPS, are facing acute financial challenges stemming from increased costs, state revenue that falls short of school district operating costs, and declining enrollment. We need the Legislature to fully fund school districts at their needed service level in the upcoming session and remove the cap on special education funding. In the upcoming session, we will also advocate for the Legislature to modernize and fully fund the Quality Education Model (QEM), the statistical analysis that calculates the cost of delivering a high-quality education to students across

Oregon's 197 school districts. An updated QEM must accurately capture the current realities of our schools by evaluating current expenses and incorporating new costs like current best teaching practices and technology, expanded access to early learning, and more support for student behavioral health. At a minimum, the Legislature must fund our needed service level.

Staff Lead: Lisa Merrick

8. **The last local option levy renewal stated that performance auditing of school district programs would be done, and performance audits are also mentioned for this renewal. Can you please provide an example of performance audits for the levy that were completed in the past? What were the results?**

Performance audits conducted by PPS' Office of Internal Performance Audit, as well as external auditors for audits of the District's Annual Comprehensive Financial Reports and expenditures for federal grant funds, are available on our [website](#).

In addition, each year, the Community Budget Review Committee (CBRC) verifies and subsequently reports to the Board of Education the projected number of teachers to be funded by the local option levy. The CBRC's most recent [report](#), found that in fiscal year 22-23 all levy funds were spent as approved by voters.

***Follow up:* Do you anticipate updating performance measures for this levy renewal, and if so, what will be the process for doing so?**

The CBRC will continue to verify and report on the levy each year. The PPS Board approves an annual audit plan—developed by the Board's Audit Committee—outlining which performance audits will be conducted each year.

Staff Lead: Claire Hertz