



Community Budget Review Committee

March 20, 2025

Meeting Starts at 5:30 pm

Agenda

- Housekeeping
 - Questions/Answers
 - Targeting April 24 Answers to CBRC Questions
 - CBRC Milestones & Scheduling
- Facilities & Maintenance Focus with Chief Operating Officer Dan Jung
- 2025-26 Budget Development Updates

CBRC Upcoming Milestones

DATE	ITEM
(Tentative) Monday, April 21, 2025	Proposed Budget Documents Publicly Available Online & Shipped to CBRC Members
Tuesday, April 22, 2025, within 6:00-9:00p, Prophet Center	Superintendent's Proposed Budget Message - CBRC Attendance Optional
Thursday, April 24, 2025, 5:30-7:30p, Zoom	CBRC Meeting - Budget Document Overviews, Local Option Levy Reporting, Response to CBRC Questions
(Tentative) Monday, April 28, 2025, Zoom	CBRC Report Writing Session
(Date Changed) Tuesday, April 29, 2025, Location TBD	Board Public Comment Session and Work Session - CBRC Attendance Optional
(Tentative) Thursday, May 1, 2025, Zoom	CBRC Report Writing Session
(TBD) CBRC Report Due Date	
Tuesday, May 6, 2025, within 6:00-9:00p, Prophet Center	CBRC Report Presented to Board

Facilities & Maintenance Focus with Chief Operating Officer Dan Jung



**TOGETHER,
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Facilities & Maintenance Budget Overview

PPS's Maintenance and Custodial teams manage the upkeep, repair, and safety of all PPS facilities, overseeing more than 9 million square feet of building space across 100 sites, and over 700 acres of grounds.

Maintenance Operations

2024-25 Adopted Budget: \$14 million

The Maintenance department consists of approximately 77 skilled tradespeople distributed across three specialized shops, covering multiple trades. Approximately two-thirds of the budget is allocated to personnel. Building materials, maintenance supplies and 3rd party contract support account for the remaining budget.

Custodial & Warehouse

2024-25 Adopted Budget: \$33.7 million

Almost all of the Custodial & Warehouse budget is personnel with approximately 350 FTE, of which most are school-based custodians.

Capital Improvements

Categories of Capital Improvements:

- 1. Deferred Maintenance**
- 2. Capital Renewal**
- 3. Physical Facility Improvements**

Capital Improvements

Deferred Maintenance > \$1 billion

PPS's Facility Condition Assessment (FCA) - completed in 2021 - documented the condition of the District's building assets. Nearly three-quarters of all assets were categorized as "Aged – Exceeded Design Life." Assets with the highest associated costs were related to heat-generating systems, followed by elevators, lifts, and electrical distribution systems.

The Facility Condition Index (FCI) is the ratio of a building's maintenance costs relative to replacing the building at current construction costs. FCI values range from Good to Critical. **The District average FCI is "Poor."** Sixty-two (62) facilities rated Poor or Critical of the ninety-four (94) sites assessed. Staff estimate that to reduce the FCI from Poor to Fair over a ten-year period, would require a total investment of approximately \$700 million. These calculations are based solely on the deficiencies identified in the FCA and do not account for additional asset failures or other increases in the deferred maintenance backlog after completion of the FCA or capital asset renewal needs.

Notes:

- Assessments were performed per ASTM E2018 guidelines and based on "rapid visual inspection." Data was collected without intrusion, relocation, removal of materials, exploratory probing, use of specialized protective clothing, or any special equipment and did not necessitate lockout-tag-out procedures.
- The FCA is a high-level review of many critical building systems, but it is not a comprehensive building assessment. The FCA includes the critical building systems: exterior enclosure, roofing, plumbing, HVAC, fire protection, and electrical. However the FCA does not include other systems such as seismic or security.

Capital Improvements

Capital Renewal > \$150 million per year

The highest return on investment is to replace systems before they reach failure.

The APPA (formerly the Association of Physical Plant Administrators) is an organization focused on education facility management; resources and information from the APPA are used for benchmarking investment needs for facilities maintenance and capital renewals. The APPA benchmark for annual investment into maintenance and refurbishment is 3% of CRV for a ten-year total investment of \$2.4 billion, with an average expenditure of \$171 million per year.

This high-level calculator assumes buildings are already in “good” condition, so the number for PPS would, under this planning calculation, be even higher.

Capital Improvements

Physical Facility Improvements ~ billions of dollars

These are improvements to facilities that do not address existing aged systems.

PPS's Long Range Facilities Plan outlines capital priorities for eleven program areas including early childhood education, elementary schools, middle schools, high schools, athletics, career technology education, multiple pathways to graduation, physical education, play spaces, security services, special education and visual & performing arts.

Examples of priority scopes include:

- Addition of 12 new pre-k classrooms
- Outdoor learning areas for elementary schools
- Complete modernization of remaining high schools
- Create of district-wide athletic hubs
- Updated dust collection systems at all district wood shops
- Updated playspaces at all Title 1 schools
- New dedicated sensory motor support rooms at all schools
- New music classroom, with equipment, at all elementary schools

It is important to note that the LRFP does not make commitments that will require future Board action or make specific recommendations for future bonds, rather these facility priorities provide the foundation for dialogue around bond package development and the District's vision for the built environment.

Capital Improvements

Capital Funding (Primary) Sources

- **General Obligation Bond** - Voter approved capital bonds
- **Construction Excise Tax** - PPS's receives revenue from the City of Portland's construction excise tax imposed on improvements to real property within the district's boundaries that result in new construction or additional square footage in an existing structure. Revenue from CTE varies year to year; pre-pandemic PPS average \$6 - \$7 million per year. Last year's revenue was \$1.7 million.
- **Lease Revenue** - PPS's lease revenue supports capital project but is a relatively small amount of funds (roughly \$1 million per year)
- **Grants** - Grant funds can be a significant source of capital; grant funds are typically restricted to specific scopes of work. Examples include:
 - Portland Clean Energy Fund (commonly PCEF)
 - Seismic Rehabilitation Grant Program (commonly SRGP)

Real Estate

PPS is the second largest landowner in Portland (behind Portland Parks & Recreation) with over 100 properties. Most of PPS's facility are used for school or administrative purposes. PPS owns a small number of properties that are leased or otherwise provided for third party use.

Schools currently not in use as a school or admin site include:

- Meek (Closed Fall 2024) - Currently being marketed for lease.
- Kenton - (Closed Fall 2024) - Currently reserved for swing space/possible program relocation.
- Smith - (Closed 2005) - Hazardous conditions currently make the building unusable. On a list for possible disposition.

The carrying costs for PPS includes:

- Utilities - Run on "Night Low" setting
- Vandalism and building issues
- Property Insurance
- Security/Surveillance

Note: PPS is exempt from property taxes.

Transportation

The Transportation department provides safe and on time transportation for nearly 10,000 students to and from school daily. Our team consists of 110 drivers as well as support from our Operations, Routing, Training, Fleet and Admin teams. We also work hand in hand with two 3rd party contractors to provide daily service. Coupled with our contracted services, PPS Transportation team runs over 300 bus routes each day, with most buses service 2-4 schools.

Transportation

2024-25 Adopted Budget: \$41 million

The budget is approximately one-quarter personnel and three-quarters non-personnel. The contracts for the two contracted home-to-school service providers are the largest expense.

School Bell Times - Last year PPS modified bell schedules to align school types (High School, Middle School, Elementary and K-8). This new alignment balanced bus route counties and improved efficiencies with planning routes because there is more consistency within the school types; in other words, more buses were able to serve more schools. We estimated this savings at approximately \$2 million.

2025-26 Budget Development Update



**TOGETHER,
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Vision for School-Based Resources

Our focus has been to maintain investments that have the **biggest impact on student outcomes** while supporting fiscal sustainability in our system.

We emphasized **school flexibility and stability** as much as possible.

Preliminary School Staffing

- School staffing changes have been applied at all school levels
 - ◆ We **intentionally did not raise class size** across the board
 - Some bumps in FTE were removed based on school status
 - ◆ We have **retained strategic school supports**, although in some cases at a decreased level (for example, all schools will have at least a 0.5 FTE School-Based Instructional Coach to support teachers)
 - **Flexibility was added** to allow principals to accommodate needs in their schools with some allocations
 - ◆ Enrollment decline contributes to about 9% of school-based FTE reductions
 - ◆ We have adjusted our preliminary school staffing reductions plan based on feedback, overall **adding back 37 FTE to schools**
- **Pre-Kindergarten** programming is continuing at the same level
- **Equity formula** is not changing

Preliminary School Staffing

→ Elementary School and K8 School

- ◆ Grade levels will be blended in upper elementary with school-based flexibility to blend specific levels between grades 3-5 based on school-specific needs
- ◆ Kindergarten Educational Assistants are prioritized for Title I schools
- ◆ Schools will retain support from a 1.0 School-Based Instructional Coach
 - With flexibility for 0.5 Academic Interventionist
- ◆ International Baccalaureate (IB) supports are no longer allocated due to a lack of IB pathways to upper grades

→ Middle School

- ◆ A minimum class size of 15 students has been established
- ◆ Dual Language Immersion supplemental resources are aligned to enrollment-based need
- ◆ Title I supplemental resources are reduced from a base of 2.0 to 1.0
- ◆ Schools will retain support from a School-Based Instructional Coach and receive discretionary FTE with a choice of Instructional Coach, Restorative Justice Coordinator, School Climate Specialist, or Social Worker

Preliminary School Staffing

→ High School

- ◆ A minimum class size of 15 students has been established
- ◆ Reduction of Career Coordinator funded by General Fund
 - Schools have **flexibility** to select a Career or College Coordinator funded by General Fund
 - High schools continue to receive a College Coordinator allocation funded by High School Success (M98)

→ Multilingual Learners

- ◆ Itinerant staff **will continue** to provide support to schools with fewer students needing services
- ◆ Weighting has changed so **all schools** receive FTE based on student need (Newcomer/PISA students get the highest weight)

→ Special Education

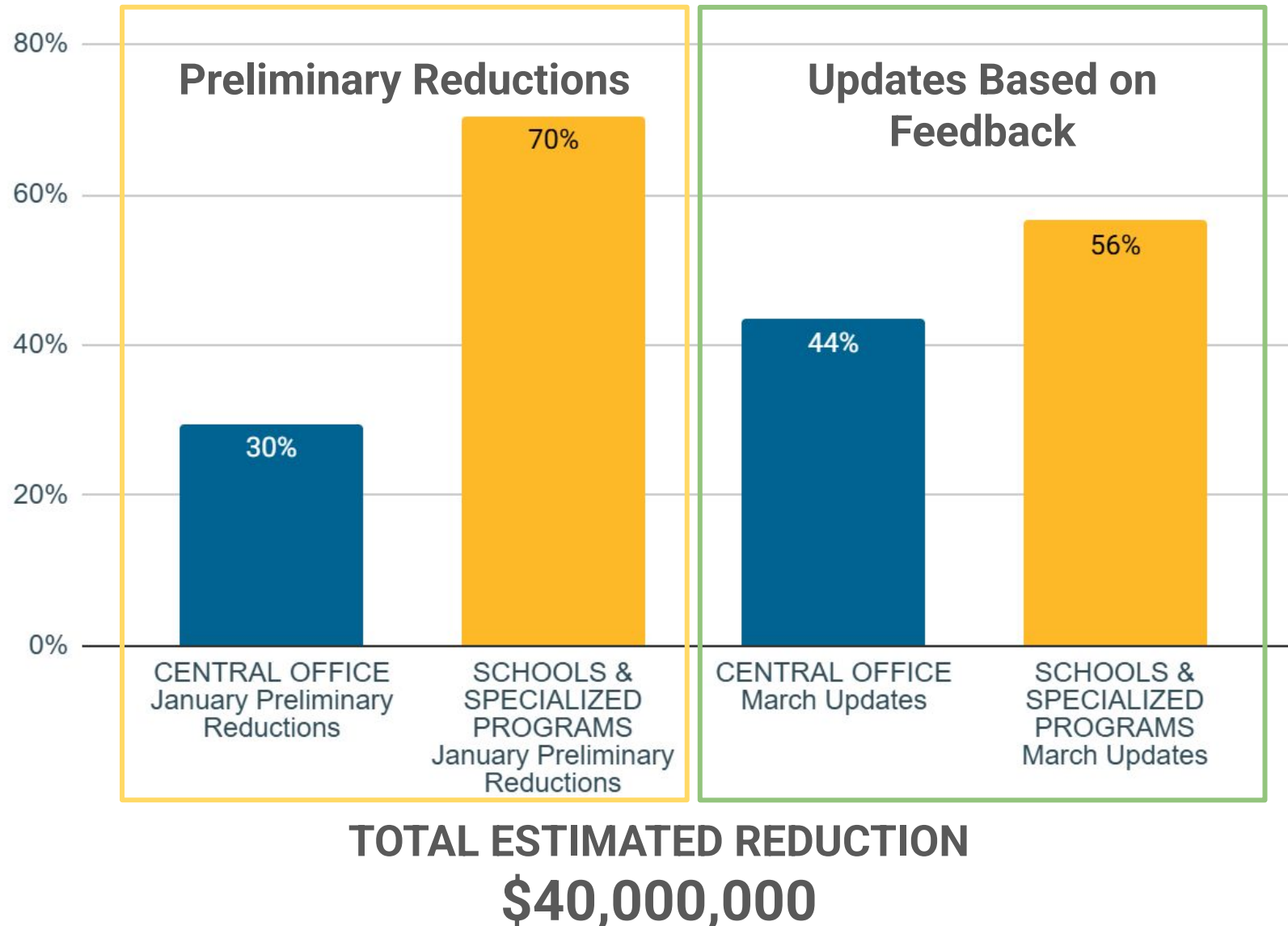
- ◆ Special Education staffing is enrollment-based; *no significant changes are planned for next year*

Central Office Preliminary Reductions Summary

Central Office personnel and non-personnel budgets will be reduced next school year.

- Non-personnel reductions are focused in:
 - ◆ Contracted services
 - ◆ Professional development
 - ◆ Travel
- More information on Central Office personnel and program reductions will be available when the Proposed Budget is released.

[UPDATED] 2025-26 Proposed Reductions



DRAFT: Estimates are preliminary and may change during the budget process.

2025-26 Additional Considerations

- **Federal Funding Reductions**
 - We are planning for a **25% reduction in Title I** programs; this will result in additional school-based position reductions.
 - **Additional federal programs may also be reduced**, potentially impacting programming for students and professional development for staff.
- **Other Programs**
 - Sunsetting grant-funded programs may result in additional position reductions.

Questions & Discussion



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Appendix

The background of the slide features a dense forest of tall, dark evergreen trees, likely spruce or fir, silhouetted against a clear, bright blue sky. The trees are arranged in a way that creates a sense of depth, with some appearing closer and more detailed, while others are further back, creating a layered effect. The overall tone is serene and natural.

Financial Pressures Contributing to Our Shortfall



Rising Costs

Inflation has resulted in higher costs of goods and services.

We have invested in our employees' compensation and teacher planning time. PERS costs are also rising.

Our student needs continue.



Limited Revenue

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

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



Declining Enrollment

We have fewer students and the same number of buildings.

Our funding is dependent upon number of students.

Since 2020, PPS's student enrollment has declined 10.8%, faster than Oregon's (6.5%), and is projected to continue to decline.



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Our Why

Our mission is to educate all children to their highest potential to be productive, respectful, self-reliant, and responsible citizens who value the richness of diversity.

PPS reImagined

Preparing Our Students to Lead Change and Improve the World

- Educational System Shifts
- Educator Essentials
- Graduate Portrait

Forward Together

Strategic Plan for Racial Equity, Inclusion, and Excellence

- Racial Equity & Social Justice
- Inclusive & Differentiated Learning
- Professional Excellence & Support
- Embracing Change

Board of Education Goals

Eliminate Opportunity and Outcome Gaps

- Third Grade Reading
- Fifth Grade Math
- Eighth Grade Readiness
- High School Graduation



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[UPDATED] 2025-26 Proposed Reductions

CENTRAL OFFICE		PRELIMINARY		ADJUSTMENT BASED ON FEEDBACK		TOTAL ESTIMATED REDUCTIONS	
Description		Projected Savings	Position Change	Projected Savings	Position Change	Projected Savings	Position Change
Classified Staff		-900,000	-7	0	0	-900,000	-7
Senior Leadership Staff		-1,500,000	-6	-400,000	-2	-1,900,000	-8
Licensed Staff		-600,000	-4	0	0	-600,000	-4
Non-Represented Staff		-400,000	-3	-2,300,000	-15	-2,700,000	-18
Administrator		-400,000	-2	0	0	-400,000	-2
Grant Program Ending (Match Requirements)		-700,000	-1	0	0	-700,000	-1
Central Office Travel		-200,000	0	0	0	-200,000	0
Facilities Services Reduction		-200,000	0	0	0	-200,000	0
Let's Talk Contract		-100,000	0	0	0	-100,000	0
Non-Personnel		-800,000	0	0	0	-800,000	0
Personal Services (Contracts)		-3,400,000	0	0	0	-3,400,000	0
Professional Development (Reduce Four Teacher Professional Learning Days)		-2,200,000	0	0	0	-2,200,000	0
Racial Equity & Social Justice Partnership Contracts (Total 10% Reduction)		-400,000	0	-400,000	0	-800,000	0
Security (Reduce Campus Safety Associate Overtime)		-300,000	0	0	0	-300,000	0
Transportation - Limit Charter Bus Use		-100,000	0	+100,000	0	0	0
Additional Central Office Reductions (Final Amount and Details Pending)				-2,200,000	Pending	-2,200,000	Pending
Central Office Total		-\$12,200,000	-23	-\$5,200,000	-17 [Pending]	-\$17,400,000	-40 [Pending]

DRAFT: Estimates are preliminary and may change during the budget process.

[UPDATED] 2025-26 Proposed Reductions

ELEMENTARY SCHOOL <i>SEE MULTIPLE SCHOOL LEVELS FOR CHANGES</i>		PRELIMINARY		ADJUSTMENT BASED ON FEEDBACK		TOTAL ESTIMATED REDUCTIONS	
Description		Projected Savings	Position Change	Projected Savings	Position Change	Projected Savings	Position Change
Kindergarten Educational Assistants at class size of 20 in Title I schools only (Classified Staff Reduction) (39% reduction)		-1,200,000	-18	0	0	-1,200,000	-18
Licensed and Classified Staff Reduction Due to Enrollment Decline		-800,000	-6	0	0	-800,000	-6
Reduce K-5 International Baccalaureate Programming		-500,000	-3	0	0	-500,000	-3
Elementary School Total		-\$2,500,000	-27	0	0	-\$2,500,000	-27

K-8 SCHOOL <i>SEE MULTIPLE SCHOOL LEVELS FOR CHANGES</i>		PRELIMINARY		ADJUSTMENT BASED ON FEEDBACK		TOTAL	
Description		Projected Savings	Position Change	Projected Savings	Position Change	Projected Savings	Position Change
Licensed and Classified Staff Reduction Due to Enrollment Decline		-1,200,000	-8	0	0	-1,200,000	-8
K-8 School Total		-\$1,200,000	-8	0	0	-\$1,200,000	-8

DRAFT: Estimates are preliminary and may change during the budget process.

[UPDATED] 2025-26 Proposed Reductions

MIDDLE SCHOOL SEE MULTIPLE SCHOOL LEVELS FOR CHANGES		PRELIMINARY		ADJUSTMENT BASED ON FEEDBACK		TOTAL	
Description		Projected Savings	Position Change	Projected Savings	Position Change	Projected Savings	Position Change
Remove Dual Language Immersion Supplemental Staffing		-1,400,000	-10	0	0	-1,400,000	-10
Reduce Title I Supplemental Staffing		-800,000	-6	0	0	-800,000	-6
Licensed and Classified Staff Reduction Due to Enrollment Decline		-200,000	-1	0	0	-200,000	-1
Middle School Total		-\$2,400,000	-17	\$0	0	-\$2,400,000	-17

HIGH SCHOOL		PRELIMINARY		ADJUSTMENT BASED ON FEEDBACK		TOTAL	
Description		Projected Savings	Position Change	Projected Savings	Position Change	Projected Savings	Position Change
High School Staffing Formula Increase By One Student		-2,800,000	20	+2,800,000	+20	0	0
Classified Staff				-1,200,000	-9	-1,200,000	-9
Discontinue High School "Targeted School Improvement" Staffing Allocation		-2,100,000	15	0	0	-2,100,000	-15
High School Total		-\$4,900,000	35	+\$1,600,000	+11	-\$3,300,000	-24

DRAFT: Estimates are preliminary and may change during the budget process.

[UPDATED] 2025-26 Proposed Reductions

MULTIPLE SCHOOL LEVELS		PRELIMINARY		ADJUSTMENT BASED ON FEEDBACK		TOTAL	
Description		Projected Savings	Position Change	Projected Savings	Position Change	Projected Savings	Position Change
Licensed Supplemental Staff (Instructional Coach, Interventionists, Social Emotional Supports, School Site Instructors)		-10,400,000	-69	+5,400,000	+32	-5,000,000	-37
Program Balancing Pool of Licensed Staff		-2,500,000	-20	0	0	-2,500,000	-20
Promote Blended Classrooms				-2,600,000	-17	-2,600,000	-17
Program Balancing Pool of Administrators		-2,800,000	-14	+1,400,000	+7	-1,400,000	-7
Program Balancing Pool of Licensed Staff (Southeast Guiding Coalition)		-1,400,000	-10	0	0	-1,400,000	-10
Multiple School Levels Total		-\$17,100,000	-113	+\$4,200,000	+22	-\$12,900,00	-91

SPECIALIZED PROGRAMS		PRELIMINARY		ADJUSTMENT BASED ON FEEDBACK		TOTAL	
Description		Projected Savings	Position Change	Projected Savings	Position Change	Projected Savings	Position Change
Balancing ELD (English Language Development) Staffing		-1,000,000	-7	-700,000	+4	-300,000	-3
Specialized Programs Total		-\$1,000,000	-7	-\$700,000	+4	-\$300,000	-3

GRAND TOTAL	\$40,000,000	210
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DRAFT: Estimates are preliminary and may change during the budget process.

Board Adoption Timeline: Spring 2025

Day	Date	Engagement
Tuesday	Mar 4	Board Budget Work Session with Community Budget Review Committee
Tuesday	Mar 18	Board Budget Work Session
Tuesday	Apr 22	Board Meeting: Superintendent Delivers the 2025-26 Proposed Budget
Tuesday	Apr 29	School Board Public Comment Session on the 2025-26 Proposed Budget
Tuesday	May 6	Community Budget Review Committee Presents Reports to School Board
Tuesday	May 19	Board Meeting: School Board as a Budget Committee Approves the 2025-26 Proposed Budget
Tuesday	June 10	TSCC Hearing: Tax Supervising and Conservation Commission Certifies the 2025-26 Approved Budget
Tuesday	June 10	Board Meeting: School Board Adopts the Approved 2025-26 Budget

PPS will pursue the following budget priorities in

2025 Legislative Session Advocacy:

- Invest in High Quality Education
- Pass the Governor's Recommended Changes to the Current Service Level (CSL)
- Fully Fund Recent Mandates and New Initiatives
- Fully Fund Special Education Services
- Funding for Student Supports
- Maintain Sustainable Funding
 - ◆ School nutrition programs, extended learning opportunities, and early literacy
 - ◆ Currently on 2025 Oregon Legislative Agenda: [HB 3039](#) Directs ODE to study ways to increase summer and afterschool programs
- Additional Funding
 - ◆ Facility improvements, curriculum, transportation, green schoolyards, cyber security, and healthcare access

State Advocacy

State Advocacy Toolkit

**Get involved and help
Oregon students achieve
their highest potential!**

- **Legislative Engagement**
- **External Engagement**
- **Templates and Scripts**

Legislative Updates - Key Legislative Dates



Governor's Recommended Budget Released	December 2024
2025 Legislative Session Convenes	January 21, 2025
Measure Introduction Deadline	February 25, 2025
February Revenue Forecast	February 26, 2025
Ways and Means Co-Chairs Budget Released	Mid-March 2025
May Revenue Forecast	May 14, 2025
2025 Legislative Session Adjourns	June 28, 2025

Legislative Updates - Key Bills



- Special Education Funding Bills
 - **HB 2953** - lifts the cap on SPED funding
 - **HB 2448** - fully funds the High-Cost Disability Account
 - Regional Inclusive Funding (RIS) - **\$50 M additional investment**
 - EI/ECSE - **\$40 M additional investment**
- **HB 3435** - School Meals for All
- **HB 3039** - Summer Learning
- **HB 3040** - Early Literacy Initiative
- **SB 580** - Mandating Class Size Bargaining

Legislative Updates - March Revenue Forecast



- On February 26, lawmakers received the March forecast and revenue update. Budget writers learned they have an additional **\$350 million** to spend during the 2025-27 biennium. Oregon's state economists are noting that a “**potential variance**” can swing up to **\$500 million either way in the foreseeable future**.
- With this latest economic data, Oregon is still expecting a **kicker for 2025 tax return filers of \$1.7 billion**.
- **The next forecast is scheduled to be released on May 14** and serves as the foundation for the 2025 legislatively adopted budget.

Federal Budget Updates

- **Continuing Resolution**
 - After weeks of uncertainty about a potential government shutdown, **Congress has approved a year-long continuing resolution (CR). This completes Fiscal Year (FY) 2025 appropriations and provides level-funding for most of the key K-12 formula programs, including IDEA, Title I, Title IV-A and REAP.**
- **Some Unknowns Remain**
 - In an unprecedented move, Congress did not include what is known as an “explanatory statement” – which provides detailed explanations of specific funding levels and priorities that Congress intends. This means that **the Administration will have more discretion in allocating funds for the programs that did not receive a specific funding level.** Unfortunately, **Title II falls under this category** – so hypothetically the Administration can provide less than the FY24 funding levels. With FY25 complete, **Congress will now turn its attention to FY26 and the President’s budget proposal is expected to be released in May.**
- **Action in Oregon**
 - On Thursday, March 13, Oregon Attorney General Dan Rayfield, alongside 20 other Democratic attorneys general, filed a lawsuit against the Trump administration's plan to dismantle the U.S. Department of Education. The **lawsuit aims to prevent potential disruptions to K-12 education across the state.**

Budget Feedback Form

Share Comments with
District Leadership



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Public Comment

Share Public Comment
with the
Board of Education

[publiccomment](mailto:publiccomment@pps.net)
[@pps.net](mailto:publiccomment@pps.net)



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