

**Portland Public Schools
CBRC Annual Budget Review
Fiscal Year 2024-25
May 3, 2024**

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

The Portland Public Schools Board of Education (board) established the Community Budget Review Committee (CBRC) to perform the following functions:

- Review, evaluate and make recommendations to the board on the Superintendent's Proposed Budget
- Monitor and advise the board on the allocation and expenditure of Local Option Levy funds
- Provide and strengthen the link between the district and school students and families.

About the CBRC

The CBRC is a group of 12 volunteers representing a diverse group of parents, staff, community members and two students who give voice to the diverse interests of the PPS communities in the budget process. This year, significant budget reductions and a shortened budget review timeline has made it challenging to provide thoughtful analysis and feedback to guide the board, ***yet the need for community input has never been greater.****

Purpose of Budget Review

The primary focus of the CBRC's review is to assess the extent to which the 2024-25 budget aligns with the board goals for 2022-2027. The four goals aim to reduce and ultimately eliminate racial disparities in academic achievements in the following four areas:

- Third-grade Reading
- Fifth-grade Mathematics
- Eighth-grade Readiness
- High School Graduation

Overall Reflections to Frame This Report

We acknowledge the board's commitment to continue a focus on the core needs of students, increase academic achievements and reduce academic disparities across racial groups. We also think that the district's 2024-2025 budget seeks to minimize the impact of cuts on students' experience. However, we believe that the likely increase in class sizes and service cuts particularly in areas such as libraries will have negative effects on achieving the four student achievement goals..

Smaller classes benefit all students, but particularly those who need more learning interventions or are below grade level. The increase in class sizes is concerning and will make it difficult to make progress on all of the board goals. If it is not possible to maintain class sizes, which are in many cases not in alignment with the Quality Education Model (QEM)

CBRC acknowledges the limitations of the district to meet the pressing needs of all students with limited funds from the state and additional budget challenges due to contractual obligations. We recommend that PPS and all PPS supporters continue to advocate for protecting and increasing the K-12 budget for Oregon school districts to achieve the QEM.

Overall we recommend that the board and district should advocate for additional state funding, to realize the four goals by increasing student-facing direct service positions and reducing class sizes.

Climate and Trends

This report identifies trends CBRC observed in the 2023-24 budget cycle and continuing into the future that will mean service cuts and impact the attainment of the board goals. CBRC strongly recommends the board reflect on and attend to these trends as they will have a major impact on attainment of the four goals. This year the CBRC is focusing on the Literacy and high school graduation goals in our report though the trends and budget decisions we reviewed impact all four of the board goals.

Structural challenges

Despite record funding of nearly \$2.4 billion to serve PPS's 44,000 students, of which approximately 46% is available for annual operations, PPS continues to see rising class sizes and cuts to staffing. The budget challenges PPS increasingly faces are not unique to our district, city or state, but have become more apparent and urgent this past year. Many of these challenges are structural due to increases in staff wages and an inflationary environment particularly impacted by rising labor, legacy obligations, declining enrollment and aging infrastructure.

Uneven educational progress and persistent racial achievement gap

We note that the district four-year cohort graduation rate declined slightly in 2022-23, and PPS should continue investments to reverse this. PPS continues to have a higher four-year cohort graduation rate than the state (pg. 225) PPS ELA and math scores both increased in 2022-23 and PPS scored approximately 12.4% higher than the state in ELA and 15.6% higher than the state for math in 2022-23. Significant racial achievement gaps persist and should continue to be addressed with additional resources (pg 227).

Financial and instructional time impacts

We want to acknowledge the impact of the November 2023 teacher strike on students, families and workers across the district. There is a budgetary impact from the multiple new staff contracts adopted in 2023-24 including but not exclusive to the teacher contract that have increased labor costs for the district. The cost to student achievement with disruptions to learning and an untimely break in instruction is difficult to measure, but will undoubtedly have an impact on student needs.**

Inclement weather in January closed schools for days, and damaged numerous buildings with an impact on both budgets and student learning. PPS has sought a waiver from the Oregon Department of Education for 14 hours, which will leave some k-8 students short of the 900 hours of required instructional time and many high schools at least 10 hours short of state required hours. The CBRC is concerned about the impact of insufficient instructional hours on achieving that board goals and the costs down the road to student learning and the impact on test scores from lost time.

1. Declining Enrollment

Enrollment is projected to decline in the foreseeable future but at a slower rate of decline in 2023-24 than during the pandemic. This suggests that funds for all functions, including direct teaching and instructional activities, will decrease in the coming years, while fixed costs to maintain schools as a fraction of total costs will likely increase.

- As observed previously, PPS has used one-time funding to soften the budget shortfall hiding the looming gap due to a long term enrollment decline trend. We are now at the end of much of this funding and combined with increases in staffing costs are facing ongoing structural deficits.
- Demographic trends of declining enrollment may be exacerbated by increased class sizes which will discourage some members of the general public from enrolling students.

Recommendation:

- District-wide outreach efforts to families with prospective or current elementary students currently not enrolled in PPS to better address needs and concerns as a way to revert enrollment declines. Such efforts should include recruitment of incoming kindergarten students as well as families of students who have dropped from enrollment at all levels K-12.
- Continued advocacy at the state level for reduced class sizes in line with the QEM especially for schools serving the highest percentages of Combined Underserved Students.

2. Costs rising faster than revenues

While PPS has received a record level of state support and the General Fund Budget increased by 2.3%, or \$19.3 million, from \$833.8 million in 2023-24 to \$853.1 million in 2024-25, this has not kept pace with labor costs in 2023-24 and associated benefits, PERS obligations and to a lesser extent spending on maintenance. We note that requirements for licensed salaries are projected to increase by only 3 percent from the proposed budget to the 2025-2026 projected budget (from \$333,785,000 to \$323,936,000). This increase is smaller than teachers' negotiated cost of living increases, thus implying cuts to instructional time in the future under current projections. This will likely mean multiple years of cuts and service reductions without additional state support.

Recommendations:

- While we call for additional state funding and a revisiting of the state allocation model, **we caution the district against relying on unknown increases in funding increases** both to the overall budget and on a per student basis.

- Based on projections for 2025-26 and beyond, which PPS's current trajectory would deplete reserves if no additional state funding is allocated. We recommend that PPS **revises budgets to maintain 5% reserve.**

3. Deferred Maintenance of PPS Schools

PPS reports that deferred maintenance for all District buildings grew in excess of \$400 Million in FY 2022-23. The cumulative total for deferred maintenance now exceeds \$1 Billion.

Recommendations:

- The district should analyze and address these maintenance needs more aggressively in the 2024-25 budget cycle and develop a long term plan to implement building upgrades. This plan could include options for leasing or selling properties not currently housing students to offset deferred maintenance costs on existing properties which house students.
- The district should seek support from local and state agencies and program upgrades such as weatherization and air conditioning that will help prepare learning environments and mitigate the effects of climate change. With climate change we can anticipate more extreme weather and the district should prioritize addressing spaces that are too hot or cold to learn.
- The district should prioritize repair, maintenance and upgrades to existing buildings over new construction in the upcoming bond proposals.
- The district should reserve additional funds in the annual budget for repairs due to building failures especially in light of recent weather events. Budgetary challenges presented by the need to repair recent winter storm damage and resulting delays have directly and negatively impacted student learning.

4. Reforms to the Budget Process

CBRC supports the District's continued efforts to make the budget process more accessible and transparent to the general public, especially as we are faced with difficult decisions affecting class sizes and service levels. CBRC recognizes the efforts of central office leadership to begin this year's budget process by gathering input from school administrators in the form of a survey to guide budgetary decisions.

Recommendations:

- We repeat our request from last year that PPS share individual school level summary budget documents to individual schools to increase transparency and encourage school-level stakeholders to engage.
- CBRC and the public would benefit from additional time to review the proposed budget and provide analysis. Nine days to review and provide a meaningful analysis of a more than 500 page of budget content is a heavy lift for volunteers.
- We reiterate that School Continuous Improvement Plans (SCIP) and outcomes should be shared publicly.

5. Continued Application of Racial Equity Social Justice Lens

We encourage the district to continue embedding equity—through an intersectional lens—into budget creation and implementation, as we believe it allows room for students to feel represented in multiple aspects of their PPS journey. As noted previously, the racial make-up of student-facing staff does not reflect our student populations.

Recommendation:

- Continue to recruit and retain Black, brown and indigenous student-facing staff in the next budget cycle.
- Provide opportunities for student involvement in how the equity allocation of the 8% staffing model at targeted schools funds is used at the school level for increased transparency and participation by our students.
- We encourage the district to develop strategies to decrease inequities long term while still providing families and communities the opportunity to support their schools. In light of looming budget shortfalls and redistributive provisions in policy, we recommend maintaining current policy on foundation funding at this time.
- We share Board Vice-Chair Herman Greene's concern that staff cuts may not be equitable, and that the district should examine these cuts from an equity perspective.

Budgetary Decisions that Directly Impact Board Goals for Student Achievement

1. Equitable and Targeted Direct-Service Staffing Allocations.

The following are budgetary decisions that are in alignment with board goals and prioritize direct service to students:

- Staff has attempted to craft a budget that minimizes the impact of reductions to direct support for students, while maintaining core operations.
- The 2024-25 budget continues the practice of determining staffing allocations based on the differentiated staffing model, designed to provide more funding for direct support services in schools serving student populations with highest needs (based on SES, percentages of Black, brown and indigenous students, and test scores). It also continues to allocate SIA funding for TSI and CSI identified schools as well as those schools exiting TSI / CSI status but in need of temporary added support to continue their trajectories of improved student outcomes.

2. Cuts to Direct-Service Staff

The 2024-25 proposed budget continues the trend of reductions to student facing positions. Staffing levels for the proposed budget, particularly instructional and student facing FTE reflect a divestment that will increase class sizes and reduce student support.

- Both the total number of teacher FTE has decreased from 2018-2019 to the proposed 2024-2025 budget (from 2,177 FTE to 2,138 FTE) and teacher FTE per 1,000 students has declined (from 47.6 to 50.5) during that time period due to declining student enrollment.
- Furthermore, FTE for other staff positions in the proposed budget has increased, especially for Instructional Coach positions which are not student-facing (from 64.8 to

134.8 FTE, a 108% percent increase). Staffing also increased for student-facing positions critical to the attainment of the board goals, such as School Counselors (from 143.7 to 161.2, a 12 percent increase).

- FTE for library and media services will decline considerably with the new budget. Specifically, FTE for these services will decline by 31 percent in elementary schools (from 45.35 FTE to 31.30 FTE), 34.5 percent in middle schools (from 15.7 FTE to 10.3 FTE), and 24.6 percent in high schools (from 14.2 FTE to 10.7 FTE).

Recommendations:

- Prioritizing student-facing positions and continued analysis of contracts for services that may be redundant to work assigned to district-funded positions.
- Analysis of all investments in indirect (not student-facing) services should preclude any further cuts to direct service, student-facing positions.
- Reconsider library staffing cuts at the k-5 level and maintain present hours and library services by reducing budgets elsewhere. See our evaluation of the Board goal for third grade reading for details.
- Allocation additional cuts to non-direct service Administrators to minimize cuts to student facing and instructional positions/ licensed staff.

3. The Continued Need for Differentiated Staffing Allocation Based on Increased Student Need

The equity allocation of 8% of the staffing model at targeted schools has held steady since FY16-17. CBRC continues to support this investment and notes that the visibility in the Budget Book, Volume Two, is a valuable tool to demonstrate a base level of transparency to the community. For the 2024-25 budget the equity allocation has been cut in half, from 8% to 4%. If not bolstered by support in other forms this is a significant change that will impact the schools who serve the highest percentages of Combined Underserved Students.

The equity allocation basis allocations to the schools with the highest needs based on MAP testing data is an important change. In past years, school administrators were able to determine how to use the equity allocations. This provided flexibility to address needs at the school level. Especially in schools with lower enrollment, school administrators sometimes used equity funding to decrease class sizes or eliminate blended grades sections. Sometimes they used equity funding to address cuts to core enrichment programs. Reducing the equity allocation will decrease the level of responsiveness the school administrator will have to their school's needs in any given budget year. as well as the revision to the equity allocation in high schools so to be based solely on students directly certified by the state to receive free meals is also an important change.

Recommendations:

- CBRC reiterates the need for more accurate data on returns on investments of the equity allocations to determine the impacts of such investments over time, allowing for course corrections in how these funds are spent to respond to changing student needs and improve outcomes for students. providing school-level staff allocation lacks the transparency into intended uses and accountable outcomes that we wish to see.
- We recommend that PPS track and assess how the allocation of school-based interventionists to the schools with the highest needs based on MAP testing data impacts

outcomes.

- We recommend that the district work closely with school administrators during the time of transition from an 8% equity allocation to a 4% equity allocation to ensure that schools serving the highest populations of combined underserved students do not incur staffing cuts because of the shift in equity allocations.

4. Summer, after school and specialized learning supports

We applaud the district's continuation of summer programs to support students with lagging skills which were formerly supported by ESSER funds. We support efforts to close educational opportunity gaps during summer or other intercessions and continued investment in this area. We recognize the importance of providing Summer Acceleration Academy (SAA) for our students with the highest learning needs, not just those scoring above the 10th percentile on certain academic tests.

We acknowledge this year's Community Based Organization (CBO) requests for increased funding or the continuation of funding level from SIA funds.

We question the 66% reduction in support for Talented and Gifted (TAG) program funding to .5 FTE "to match enrollment projections" and request more information on how the need has been reduced by two thirds when overall enrollment has declined less than three percent.

Recommendation:

- We recommend that the district provide programming for students not qualifying for SAA because they scored below the 10th percentile on certain academic tests, and analyze the student population disqualified for SAA based on adopted standards for enrollment to determine the impact of this shift on Black, brown and indigenous students. This analysis would inform future actions and align with the board's Racial Educational Equity Policy.
- CBRC supports the continuation of funding for CBO programs with a record of strongly positive educational outcomes. CBO programs provide valuable engagement for students and are supportive of graduation goals.
- We recommend the continuation of TAG program funding at a level that matches current enrollment needs as TAG provides valuable engagement for students and is supportive of graduation goals.

5. Investment of instructional coaches and professional development

While instructional coaches and professional development time is important, we encourage the board and the district to evaluate this investment against the potential to use funds to support student facing staff in light of the position reductions.. It is not clear to CRBC how a decision to increase non-student facing positions aligns with the boards' goals.

Recommendation:

- Prioritize class sizes and current student support positions over additional instructional coaches and paid or released professional learning and collaborative planning time. An exception may be the investment in early literacy interventionists providing direct service to students and coaches providing support to educators serving students in early grades, which we recommend maintaining at current levels

as this supports a foundational competency and direct board goal.

6. *Maintain Social-Emotional Supports for Students*

Similar to other public school systems, PPS was unable to address all the educational and social-emotional needs of all PPS students which have exponentially increased since the pandemic. We commend the investment so that all comprehensive middle schools have a position to support behavior and climate and the expansion of the rapid response team.

We request clarification if there is a minimum counselor FTE for K-5 and 6-8 schools. In past budget years a minimum allocation was shared. This year, the allocation shared only mentions that counselors are determined on a 0.2 FTE basis. (pages 213 and 215).

Recommendations:

- Maintain current levels of targeted investment in direct educational supports (primarily teaching staff, counselors, and educational assistants) in 2024-25, especially in direct educational supports (teaching staff) to make progress toward academic recovery.
- If possible, reduce the counselor to student ratios to no more than 1 counselor per 100 students at all K-5s, K-8s, and middle schools serving the highest percentages of CU students.

7. *Special Education (SPED) changes*

To meet the budget reductions needed for 2024-25 district-wide and incorporating the new contract requirements, there have been some changes in the special education staffing allocations. These changes are resulting in an increase in school psychologist FTE, Speech Language Pathologist FTE, and teacher FTE.

CBRC also notes reduction of classified staff for Special Education.

Recommendations:

- Review reductions in special education staff to assess whether current levels meet highest needs under the new model.
- Assess benefits of reducing FTE increases for school psychologists and speech language pathologists to offset reductions in classified staff for special education.
- Monitor the shift towards the “neighborhood model” of services from the “regional model” to determine how students’ needs are being met and the impact of the changes in the model to the whole system.

8. *Early Literacy changes*

Literacy is foundational for all other board goals and key to accelerate achievement for students of color in order to eliminate persistent gaps in reading achievement across the board. The board’s goal is “to close the opportunity and outcome gaps in third grade reading between students of color and their white peers. We are encouraged by the investment in early literacy coaching, but question the lack of high dosage tutoring and Learning Acceleration Specialists

for grades K-2 to help students reach proficiency and prevent achievement gaps.

With the additional revenue provided by the state's Early Literacy Grant, this budget includes 6 added FTE for Instructional Coaching focused on Early Literacy and 7 added FTE in the form of Academic Interventionists to provide direct support to K-3 emerging readers across the district.

We would like to emphasize the importance of library services. The proposed budget implies that libraries at the middle and high school level will be closed for up to three hours a day; at the elementary level, this would mean libraries would be closed multiple days a week. Libraries' responsibilities extend beyond just managing the library; they meet with teachers and collaborate with them on unit plans, they attend academic and administration meetings, in addition, with no assistants, they would be in charge of checking in and out all textbooks. This is a significant portion of their work; cutting library assistants means increased work loads and decreased library hours.

The library assistant cuts present significant equity concerns if some schools are able to fundraise for librarians and other schools are not.

Recommendations:

- Maintain access to libraries at all schools full-time, by staffing libraries at the state's QEM, which recommends one full-time licensed librarian and one full-time media assistant.

Recommendations if additional funding becomes available:

- Allocate more direct service FTE to early literacy in grades K-2 to achieve the board goal to "ensure that all students are reading on grade level by the end of their 3rd grade year."
- Maintain or reduce class sizes from 2023-24 level for all kindergarten through 2nd grade classes.
- Maintain 1.0 EA allocation for small group instruction and targeted early literacy support for kindergarten classrooms at schools serving a population of 40% or more Combined Historically Underserved students
- Expand high dosage tutoring to serve students starting in the 3rd quarter of the kindergarten year, instead of starting high-dosage tutoring at grade 3.
- Increase the number of Learning Acceleration Specialists and allocate the FTE at the schools serving the highest percentages of Combined Historically Underserved students with targeted intervention support in grades K-3 to address early literacy achievement gaps.

9. High School Graduation

We recognize the district is trying to continue to improve on the budget's goals, to reduce disparities, racial inequities, and inadequate funding of programs to our high school graduates. Based upon the district's website, graduation rates in 2023 were down for underserved populations with American Indian/Alaska Native, Native Hawaiian/Pacific Islander, and Black/African American students all trending down. We noted that Evening Scholars staff were funded on ESSER and will continue on the General Fund.

Recommendations

- We recommend that more information on Multiple Pathways to Graduation, Alliance, and the Reconnection Services (where every student is welcomed, wanted and worthy) be included in the budget report, CBRC meetings, and Board meetings and must be shared with the community. Lack of information on these programs creates missed opportunities to help our students to graduate on time, at a later date or not all. These education programs will prove to be impactful and supportive to all of our students in achieving their very highest educational and personal potential. These options are developed to meet the needs of a specific student population (at risk and underserved students).

10. Reductions in central office expenditures

To meet budget requirements the district has cut some central office spending. According to information shared by the district to CBRC members, central office spending has been cut by approximately \$55 million over the last three years. These spending cuts may have been necessary to keep student-facing staff levels relatively stable, and may have corrected overly high central office spending in previous years. However, the size of these cuts suggest that they may have negative implications for student success.

Recommendations

- Review central office spending cuts and their possible impacts on student success.
- Examine whether future budget reports can include information about central office spending. This information is not readily available in the current budget.

CBRC Closing Remarks

Portland Public School's mission statement is, "We provide rigorous, high quality academic learning experiences that are inclusive and joyful. We disrupt racial inequities to create vibrant environments for every student to demonstrate excellence." During the budget review process, CBRC members compared the proposed 2024-25 budget to board goals for the district's overriding mission.

Overall, we found that more focus on direct student facing positions would bring greater alignment of the budget with the four board goals. We also noted areas or allocations within the budget plan that could be more in sync with the board goals.

CBRC also offers that maintaining or even reducing class sizes further by increasing teaching staff to provide more individualized attention to students would have a positive impact on all students and should be prioritized over training and curriculum in light of difficult budget reductions. While we recognize the importance of high-quality curriculum and well-trained staff, increased investment and mitigation of cuts to direct-service staff to support students is essential to achieving our academic aspirations.

We encourage continued reflective practice and study, collaboration with the teaching staff and school communities, along with greater transparency, as the district responds to financial pressures and works toward realization of the Quality Education Model and eliminating racial academic disparities. Preventing further increase in class sizes and social emotional support is key to educational environments in which all students can safely and joyfully thrive and excel.

CBRC has welcomed the opportunity to work in concert with the district during this process. We recognize the difficult budgeting decisions and investments that the district needs to make in order to have a budget reflective of the overall PPS community. CBRC is appreciative of the district's efforts to continue growing and learning with students, staff, and community members to create a budget that is increasingly more reflective of its own mission of racial equity, inclusion, rigor and high quality academic learning.

The following CBRC members respectfully submit this report to the PPS Board of Education:

Karanja Crews
Aaron Cronan
Mo Damtew (Student Member)
Mariah Hudson (Co-Chair)
Dashiell Elliott
Tasz Ferguson (Co-Chair)
Paul Freese
Jen Gray-O'Connor
Grace Groom (Vice Chair)
Sonya Harvey
Roger Kirchner
Stephan Lindner (Vice Chair)
Adriel Person
Luke Susswood (Student Member)

*The committee began meeting virtually in November of 2023 and convened a total of seven times as part of 2024-25 budget development. The committee also met once in September to provide feedback on the 2023-24 budget amendment, as requested by the board. CBRC received presentations from Jonathan Garcia, former Chief of Staff, Myong Leigh, Interim Deputy Superintendent of Business and Operations, Darcy Soto, Director of Learning Acceleration, and Mary Kane, Senior Legal Counsel, among other district staff. The committee engaged in one work session with the board focused on 2024-25 budget development. Myong Leigh and PPS staff contributed greatly to the committee's preparation for the annual budget review. As in previous years, there are limitations around CBRC's ability to provide a comprehensive report and recommendations to the board, including the timeline for review.

**CBRC wishes to note that in the prior year budget conversations with staff we repeatedly asked for projections on how new contracts and staffing costs could impact the district's ability to meet board goals and what adjustment might be made in the near term to budgets. We specifically asked if funds allocated for negotiations were sufficient to cover the anticipated cost of the contracts and how the district would align the budget with board goals after the approval of the budget if costs exceeded revenues. As we did not receive information sufficient to we were not able to advise on these significant and foreseeable impacts to the district budget in 2023-24.