

**Portland Public Schools
Community Budget Review Committee Annual Local Option Levy Review
May 6, 2025**

Overview

The Community Budget Review Committee (CBRC) conducted its annual review of Portland Public Schools' (PPS) expenditures of Local Option Levy (Levy) funds. Renewed in May 2024 through Measure 26-246, the Levy requires independent community oversight to ensure that funds are used for their intended purposes. This review includes actual revenue and expenditures from 2023–24 and projected figures for 2024–25, along with trend data through 2025–26.

The Local Option Levy is a vital funding source for PPS, projected to account for 13 percent of the General Fund in the 2025–26 school year. As a property tax based on assessed value, Levy revenue is shaped by real market conditions within the PPS taxing district and constrained by Measure 5 tax limits, also known as compression. While revenue from the Levy has generally increased from \$97.4 million in 2019–20 to a projected \$109.2 million in 2025–26, rising personnel costs have significantly reduced the number of teachers that can be funded with this revenue.

CBRC examined how Levy funds support the three voter-approved goals:

- Maintain and lower class sizes to support more individualized attention for students.
- Provide a well-rounded education, including enrichments for elementary and middle grades and a range of electives for high school students.
- Fund approximately 660 teaching positions annually.

Findings

CBRC finds that Levy funds have been used in accordance with Measure 26-246 and continue to support teaching and classroom positions across the district.

As of April 1, 2025, PPS had received \$104.6 million in Levy revenue for the 2024–25 school year. With an average teacher cost of \$141,000, Levy funds are projected to support 744 teaching positions. This is consistent with the previous year but represents a significant decline from earlier years. In 2019–20, Levy funds supported over 916 teachers. That number is projected to fall to approximately 718 by 2025–26, a 22 percent decrease over seven years.

The primary driver of this reduction is not a loss of revenue but a steady rise in personnel costs. The average teacher cost has increased from \$106,000 in 2019–20 to a projected \$152,000 in 2025–26. Consequently, the percentage of licensed staff funded by the Levy has dropped from nearly 27 percent to just under 22 percent during the same period.

Despite this challenge, Levy funds continue to play a critical role in PPS's ability to provide stable staffing and academic offerings. They support:

- Smaller class sizes than would be possible through state funding alone.
- Career and technical education (CTE), STEM, and computer science instruction.
- Enrichments and electives that contribute to a well-rounded education.

- Academic supports such as reading specialists and intervention staff.
- Staffing allocations across every PPS school, maintaining equitable access.

PPS continues to manage Levy funds through a dedicated sub-account within the General Fund, ensuring the dollars are used exclusively for teaching salaries and benefits, in accordance with voter expectations.

CBRC appreciates the community's support of the Levy and commends the district for continued compliance with its requirements.

Recommendations and Opportunities for Growth

CBRC reaffirms that PPS is following the intent of the Levy and offers the following recommendations to increase clarity, equity, and sustainability:

- Provide an annual breakdown of Levy-funded positions by school, role type, and alignment to district goals.
- Develop a public-facing dashboard that tracks Levy spending, teacher funding trends, and overall impact.
- Gather feedback from staff and students on the effect of Levy-funded roles on school climate and academic recovery.
- Create a five-year sustainability plan that anticipates cost growth and identifies strategies to avoid steep staffing reductions in future budget years.

These recommendations are offered in support of PPS's ongoing efforts to advance student achievement and equitable access to learning opportunities.

Upcoming Considerations

While the passage of Measure 26-246 extends the Levy's impact, CBRC notes with concern that the number of teaching positions funded by the Levy is projected to continue declining unless revenue growth accelerates or personnel costs stabilize. Without intervention, PPS could lose nearly one-quarter of its Levy-funded teaching positions by 2025–26 compared to 2019–20.

We urge the district to plan proactively and communicate clearly with the public about the sustainability of this critical funding source.

Submitted by the Community Budget Review Committee to the PPS Board of Education

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