



TOGETHER , WE RISE

2025-26 Budget Overview
Presented to the Board of Education

January 21, 2025

Agenda

- Provide Context for 2025-26 Budget Recommendations
- Share Proposed Recommendations and Anticipated Impacts
- Highlight the Engagement Timeline and Opportunities for Feedback

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 9.5%, faster than Oregon's (6%), and is projected to continue to decline.

Multi-Year Process

COST CONTAINMENT

2022-25



Restricted Hiring + Spending Limits

\$40M OF \$105M REMAINING

2025-26



Current Focus

MODERATE REDUCTIONS PLANNED

2026-27



Future Outlook

\$105M Deficit Timeline

\$72M Two-Year
Budget Shortfall
Announced in April
2024

\$32M PERS Increase
Added to 2025-26 Deficit in
November 2024

\$30M
Reduced in
2024-25

\$42M
Remaining

Added CSL
Adjustments
Recommended by
Governor

\$40M of \$105M Remaining

General Fund Reductions for 2022-23

Unfortunately, our budget gap means that over the next few years, PPS will experience a reduction in staff, programs, and services in schools and the central office.

PPS made \$30 million in cuts for 2022-23.

School-based budgets
\$0 million

Central budgets
-\$30 million

General Fund Reductions for 2023-24

Unfortunately, our budget gap means that over the next few years, PPS will experience a reduction in staff, programs, and services in schools and the central office.

PPS made \$10 million in cuts for 2023-24.

School-based budgets
\$0 million

Central budgets
-\$10 million

General Fund Reductions for 2024-25

Unfortunately, our budget gap means that over the next few years, PPS will experience a reduction in staff, programs, and services in schools and the central office.

PPS made \$30 million in cuts for 2024-25.

School-based budgets
-\$14.2 million

Central budgets
-\$15.7 million

General Fund Reductions for 2025-26

Unfortunately, our budget gap means PPS will experience a reduction in staff, programs, and services in schools and the central office.

PPS needs to make approximately \$40 million in cuts for 2025-26

School-based budgets

-\$29.6 million

Central budgets

-\$12.2 million

These are current estimates; these figures may shift as additional information and decisions surface.

Continued Cuts to Central Budgets

2022-2023

The central office made over \$30 million in reductions to spare schools from funding cuts.

2023-2024

During the middle of the school year, we implemented a hiring freeze for central office positions and reduced non-personnel budgets by \$10 million to address the shortfall.

2024-2025

Reductions for the centrally-based, centrally-funded services totalled \$15 million.

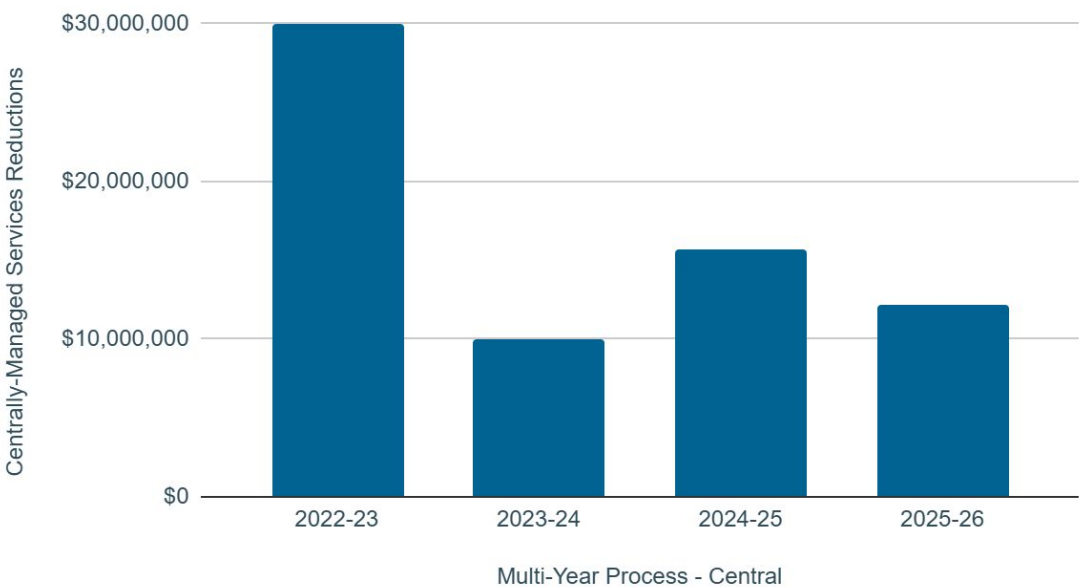
This was achieved to the greatest extent possible by decreasing non-direct student-facing staff, central office operations, and contracts with outside organizations.

Projected 2025-2026

Reductions for the centrally-based, centrally-funded services are projected at \$12 million.

This will be achieved to the greatest extent possible by decreasing non-direct student-facing staff, central office operations, and contracts with outside organizations.

Centrally-Managed Services Reductions



Total \$67M cut over four years

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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25-26 Proposed Reductions



Category	Description	Projected Savings	Position Change
Central Office	Senior Leadership Staff	1,500,000	6
	Classified Staff	900,000	7
	Licensed Staff	600,000	4
	Non-Represented Staff	400,000	3
	Administrator	400,000	2
	Grant Program Ending (Match Requirements)	700,000	1
	Central Office Travel	200,000	0
	Facilities Services Reduction	200,000	0
	Let's Talk Contract	100,000	0
	Non-Personnel	800,000	0
	Personal Services (Contracts)	3,400,000	0
	Professional Development (Reduce Four Teacher Professional Learning Days)	2,200,000	0
	Racial Equity & Social Justice Partnership Contracts 5% Reduction	400,000	0
	Security (Reduce Campus Safety Associate Overtime)	300,000	0
	Transportation - Limit Charter Bus Use	100,000	0
	Central Office Total	\$12,200,000	23

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25-26 Proposed Reductions



Category	Description	Projected Savings	Position Change
Elementary School	Kindergarten Educational Assistants at class size of 20 in Title I schools only (Classified Staff Reduction) (39% reduction)	1,200,000	18
	Licensed and Classified Staff Reduction Due to Enrollment Decline	800,000	6
	Reduce K-5 International Baccalaureate Programming	500,000	3
	Elementary School Total	\$2,500,000	27

Category	Description	Projected Savings	Position Change
High School	High School Staffing Formula Increase By One Student	2,800,000	20
	Discontinue High School "Targeted School Improvement" Staffing Allocation	2,100,000	15
	High School Total	\$4,900,000	35

Category	Description	Projected Savings	Position Change
K-8 School	Licensed and Classified Staff Reduction Due to Enrollment Decline	1,200,000	8
	K-8 School Total	\$1,200,000	8

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25-26 Proposed Reductions



Category	Description	Projected Savings	Position Change
Middle School	Remove Dual Language Immersion Supplemental Staffing	1,400,000	10
	Reduce Title I Supplemental Staffing	800,000	6
	Licensed and Classified Staff Reduction Due to Enrollment Decline	200,000	1
	Middle School Total	\$2,400,000	17
Category	Description	Projected Savings	Position Change
Multiple School Levels	Reduce Licensed Supplemental Staff (Instructional Coach, Interventionists, Social Emotional Supports, School Site Instructors) (40% reduction)	10,400,000	69
	Program Balancing Pool of Licensed Staff	2,500,000	20
	Program Balancing Pool of Administrators	2,800,000	14
	Program Balancing Pool of Licensed Staff (Southeast Guiding Coalition)	1,400,000	10
	Multiple School Levels Total	\$17,100,000	113
Category	Description	Projected Savings	Position Change
Specialized Programs	Multilingual Learners Staffing (ELD)	1,000,000	7
	Specialized Programs Total	1,000,000	7
Grand Total		\$41,300,000	228

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Engagement Timeline: Winter 2025



Day	Date	Engagement
Thursday	Jan 16	Senior Directors and Assistant Superintendents meet with Dr. Franco and Budget Team
Thursday	Jan 16	Dr. Armstrong + Senior Leaders meet w/ Building Leaders to discuss Budget Overview-DRAFT
TBD	TBD	Board Working Session: Advocacy and Proposed Reductions
Thursday	Jan 23	Community Transition Meeting with External Stakeholders
Thursday	Jan 23	Community Budget Review Committee (CBRC) Meeting
Monday	Jan 27	Budget Recommendations: A Message to Educators
Thursday	Jan 30	Educator Town Hall (Virtual)
Monday	Feb 3	Community Budget Forum (Virtual)
Tuesday	Feb 4	Recommendations Finalized
Thursday	Feb 6	Optional Administrator Listening Session (In-Person)

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	May 1	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 20	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

State Advocacy

State Advocacy Toolkit

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

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

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

Budget Feedback

Comments?

Share your insights
with the Board of
Education

publiccomment@pps.net

Or share with District
Leadership (form),

