



Portland Public Schools

Fiscal Year 2021-22 Proposed Budget

Community Update



PORTLAND
PUBLIC
SCHOOLS

May 4, 2021

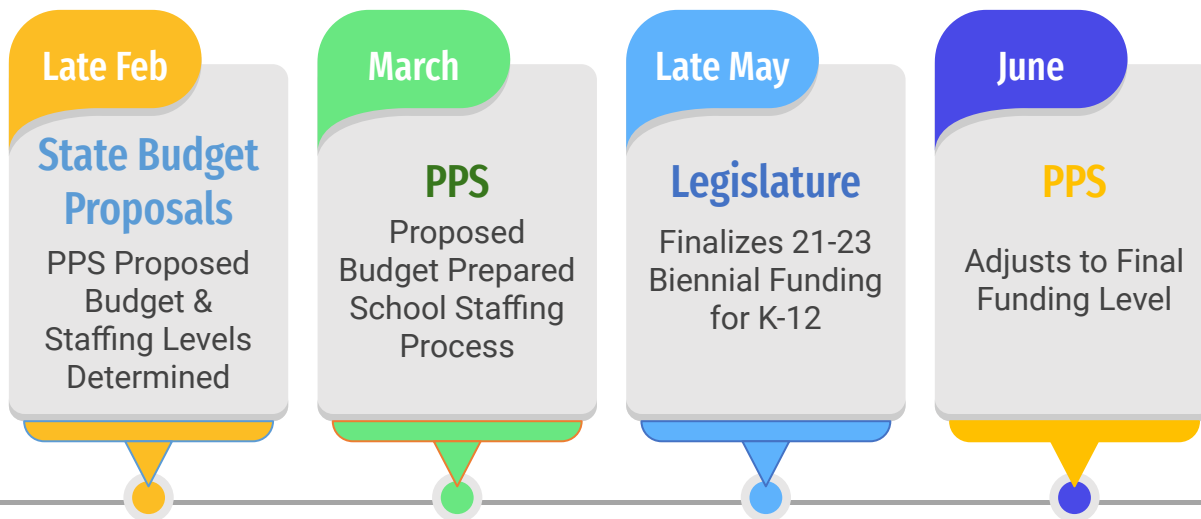


WELCOME





Proposed Investment Plan: High Level Timeline



Currently Here



Proposed Investment Plan: FY2021-22 State Funding Levels

This year's budget coincides with the Oregon legislature's biennial budget cycle for 2021-23. Portland Public Schools is using the following state funding levels to design its budget:

- \$9.3 billion State School Fund
- \$778.8 million Student Investment Account (SIA)
- \$318.0 million for the High School Success Fund

This translates to PPS proposing a budget of \$2.03 billion for the 2021-22 fiscal year. Our budget is available online at

<https://www.pps.net/Page/1403>





FY2021-22 Proposed Investment Plan

Want a further details about the different funds that create our budget? See volume one [here](#)

Want to know what the budget means for your school?

See volume two of our budget [here](#)

You can also visit us online to see additional budget information including prior years at

<https://www.pps.net/Page/1403>





The Funds Behind the Budget

| Type of Fund | What's it for? | Sources of Revenue? | How much for SY2021-22? <i>(in thousands)</i> |
|------------------------------|--|---|--|
| General Fund | The General Fund is the primary day-to-day operating fund of the District. The General Fund's resources are available to the District as needed, provided they are expended or transferred according to resolution or policy. Includes the fund balance <i>(projected to be approximately \$74M)</i> . For additional details see pages 85 to 94 of the budget book volume 1 | Primary funding source include: -State School Fund -Local property taxes -Local Option Levy -City of Portland Arts Tax -Multnomah Education Service District -Beginning Fund Balance | \$761,700 |
| Special Revenue Fund | The Special Revenue Fund is dedicated revenues such as: Federal, State, Local Grants and Private Donations where the majority of these funds are restricted for specific uses. For additional details see pages 99 to 134 of the budget book volume 1 | Primary funding source include: -Federal grants such as Title, IDEA & ESSER -Child Nutrition -Student Investment Account -High School Success (M98) -PERS Rate Stabilization Fund | \$286,245 |
| Debt Service Funds | Accounts for the payment of principal and interest on long-term debt. For additional details see pages 135 to 190 of the budget book volume 1 | Primary funding sources include: -Ad-valorem taxes -Other applicable levies | \$210,963 |
| Capital Project Funds | Resources and expenditures used to finance acquisition of technology or construction or renovation of capital facilities. or additional details see pages 135 to 190 of the budget book volume 1 | Primary funding sources include: -Proceeds from the sale of general obligation bonds -Construction excise tax -Transfers from other funds -Other revenues authorized for financing capital projects | \$762,605 |
| Internal Service Fund | Accounts for services furnished by one department or agency to another on a cost-reimbursement basis. or additional details see pages 191 to 198 of the budget book volume 1 | Primarily other existing funds via a cost-reimbursement basis | \$8,552 |
| TOTAL BUDGET = | | | \$2,030,065 |



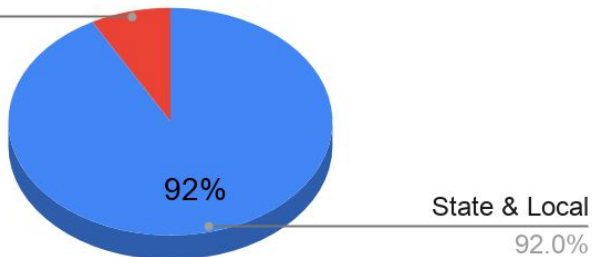
Behind the FY2021-22 Budget

Where Does the Money Come From?

Approximate totals (inclusive of fund balance)

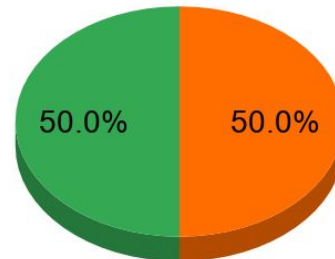
Federal Sources

8.0%



What is the Operating Budget?

The approx. \$2B in the Proposed FY2021-22 budget is split about 50/50



- Restricted to Capital, Debt and Worker's Comp
- General Fund and Special Revenue Fund (Operating Budget)

Portland Public Schools Proposed Budget for next year is approximately \$2 billion dollars. It's mostly made up of state & local funding. Of the \$2 billion, about \$1 billion is restricted for items such as capital projects and paying back debt; while the remaining \$1 billion is made up of two buckets of money known as the General Fund and Special Revenue Fund.





Proposed Investment Plan: FY2021-22 State Funding Levels

The general fund and the special revenue fund are the primary operating funds. These two funds provide the dollars necessary to pay our teachers, TA's, counselors, custodians, principals, bus drivers, HR, payroll department, etc (i.e. most of our employees). It also pays for utilities, fuel for buses, classroom supplies, student meals, etc.

Many of these funds have specific requirements to how they can be spent; it's not easy to swap one fund for another.

| Key Budgets | FY2020-21 | FY2021-22 | Change | Why |
|-----------------------------|-----------|-----------|----------------------|--|
| General Fund | \$747.5M | \$761.7M | Increase of \$14.2M | The change is primarily due to an increase in property taxes (including local option levy) |
| Special Revenue Fund | \$183.8M | \$286.25M | Increase of \$102.4M | The change is primarily because of Student Investment Account (SIA) increase of \$18M and Federal Relief dollars (Elementary & Secondary Schools Emergency Relief funds, or ESSER) |

As the State legislature convenes and discusses, we anticipate receiving more information over the next few weeks regarding what our final budget will look like which may impact these numbers.



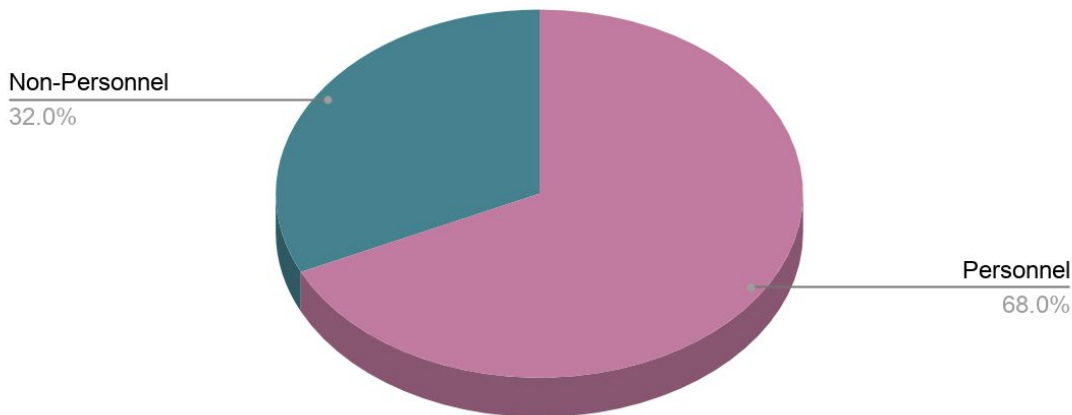
FY2021-22 Budget: General Fund & Special Revenue Fund

Similar to many school districts and nonprofits across the country, our operating budget is primarily people. For the proposed FY2021-22 budget, our employees make up the majority of our operating (i.e. general fund and special revenue fund) budget.

The portion that remains is in non-personnel items, such as fuel, classroom supplies, utilities, school based events, contracts with vendors and partners (e.g. auditors, summer programs, affinity groups, athletics), etc.

How Are General Fund and Special Revenue Funds Spent?

These two funds combined provide the primary operating budget.





The Funds Behind the Budget: Closer Look at the General Fund

Out of the several funds that create the General Fund for PPS budget, here are 3 important funding streams (in thousands)

These three funds make up about 85% of the general fund, for additional details, please see pages 90 & 91 of the budget book volume I

| Funding Source | Actual FY2017-18 | Change FY18 to FY19 | Actual FY2018-19 | Change FY19 to FY20 | Actual FY2019-20 | ~Change FY20 to FY21 | Budget FY2020-21 | ~Change FY20 to FY21 | Proposed FY2021-22 | Explained Use for FY21-22 |
|-------------------------|------------------|---------------------|------------------|---------------------|------------------|----------------------|------------------|----------------------|--------------------|--|
| Property Taxes | \$248,707 | \$8,369 | \$257,076 | \$11,765 | \$268,841 | \$8,865 | \$277,706 | \$16,117 | \$293,823 | Continue to fund and support on going investments in the school staffing formula, student support services, operations & maintenance, HR, IT and finance services (pages 90 to 96 of Budget Book volume 1 provide additional detail) |
| State School Fund (SSF) | \$239,804 | -\$14,669 | \$225,135 | \$41,472 | \$266,607 | \$1,128 | \$267,735 | -\$11,318 | \$256,417 | |
| Local Option Levy | \$88,405 | \$5,867 | \$94,272 | \$3,101 | \$97,373 | \$2,993 | \$100,366 | \$3,913 | \$104,279 | In 2019 voters approved to renew levy to fund close to 900 teaching positions across district schools |



The Funds Behind the Budget: Closer Look at the Special Revenue Fund

Of the several funds within the Special Revenue Fund here are two originating at the State level (in thousands)

| Funding Source | Actual FY2017-18 | Change FY18 to FY19 | Actual FY2018-19 | Change FY19 to FY20 | Actual FY2019-20 | ~Change FY20 to FY21 | Budget FY2020-21 | ~Change FY20 to FY21 | Proposed FY2021-22 | Explained Use for FY21-22 |
|--|------------------|---------------------|------------------|---------------------|------------------|----------------------|------------------|----------------------|--------------------|---|
| Student Investment Account (pages 122 to 125 of budget book volume 1) | N/A | N/A | N/A | N/A | N/A | N/A | \$12,393 | \$19,133 | \$31,526 | Focus is to meet students' mental or behavioral health needs, and increase academic achievement for students, including reducing academic disparities for students who have historically experience academic disparities; includes 25 FTEs to support and expand the Jefferson, Roosevelt, Franklin, Cleveland, and Madison Cluster Arts pathways; 7 period day pilot at 5 middle schools; expand 6th to 8th grade electives; Additional supports for CSI and TSI schools |
| High School Success; Measure 98 (pages 110 to 118 of budget book volume 1) | \$9,596 | -\$1,708 | \$7,888 | -\$1,635 | \$6,253 | \$5,050 | \$11,303 | \$1,741 | \$13,044 | Establish or expand programs in three specific areas: Dropout Prevention, Career & Technical Education, and College Level Education Opportunities. High Schools receive additional FTE for high school success teams. The allocation includes FTE for the following types of positions which may vary by school: instructional coaches, release time for 9th grade teachers to collaborate, student engagement coaches, CTE teachers, Pathways Pilot, and College Coordinators. |

Special Revenue Funds Includes the Elementary and Secondary Emergency Relief (ESSER I/II/III)

| U.S. Congressional Action | About How Much for Portland Public Schools?* | Must be Invested /Obligated By | Projected Spend in Current Year FY2020-21* | Projected Spend Between FY2021-22 and term date* | Key investments at Portland Public Schools |
|--|--|--------------------------------|--|--|---|
| CARES Act (Coronavirus Aid, Relief, and Economic Security Act, ESSER I Mar-2020) | \$7 million | Sep-2022 | \$7M | \$0 [†] | Primary focus on Reentry expenditures such as PPE, air filtration, signage, safety work |
| CRRS Act (Coronavirus Response and Relief Supplemental Appropriations Act, ESSER II Dec-2020) | \$30 million | Sept-2023 | \$11.5M [†] | \$18.5M | Continued focus on safety and preparing for in-person schooling, inclusive of LIPI. Furthermore, supporting child nutrition and learning recovery & acceleration for next year. |
| American Rescue Plan Act (ESSER III Mar-2021) | \$62 million** | Sept-2024 | \$0 | \$62M | Investments to support the learning acceleration of our students as outlined in our strategic plan inclusive of our community's needs. |

*Totals are projected balance after passed through and other allocation requirements per federal and state relief guidelines

**Projected estimates as of April-2021 [†]There is the possibility of some ESSER adjustments pending approval of FEMA reimbursements & State Summer Program.



Proposed Investment Plan: Federal Stimulus Dollars

Budgeting with moving variables. There are significant funding details that will be resolved in the next several months.

- We are awaiting more information from the State and expect final budget numbers in May.
- Also, there is the potential for additional funding (via reimbursements) through the Federal Emergency Management Agency (FEMA)





Proposed Investment Plan: Federal Stimulus Dollars

Budgeting with moving variables. There are significant funding details that will be resolved in the next several months.

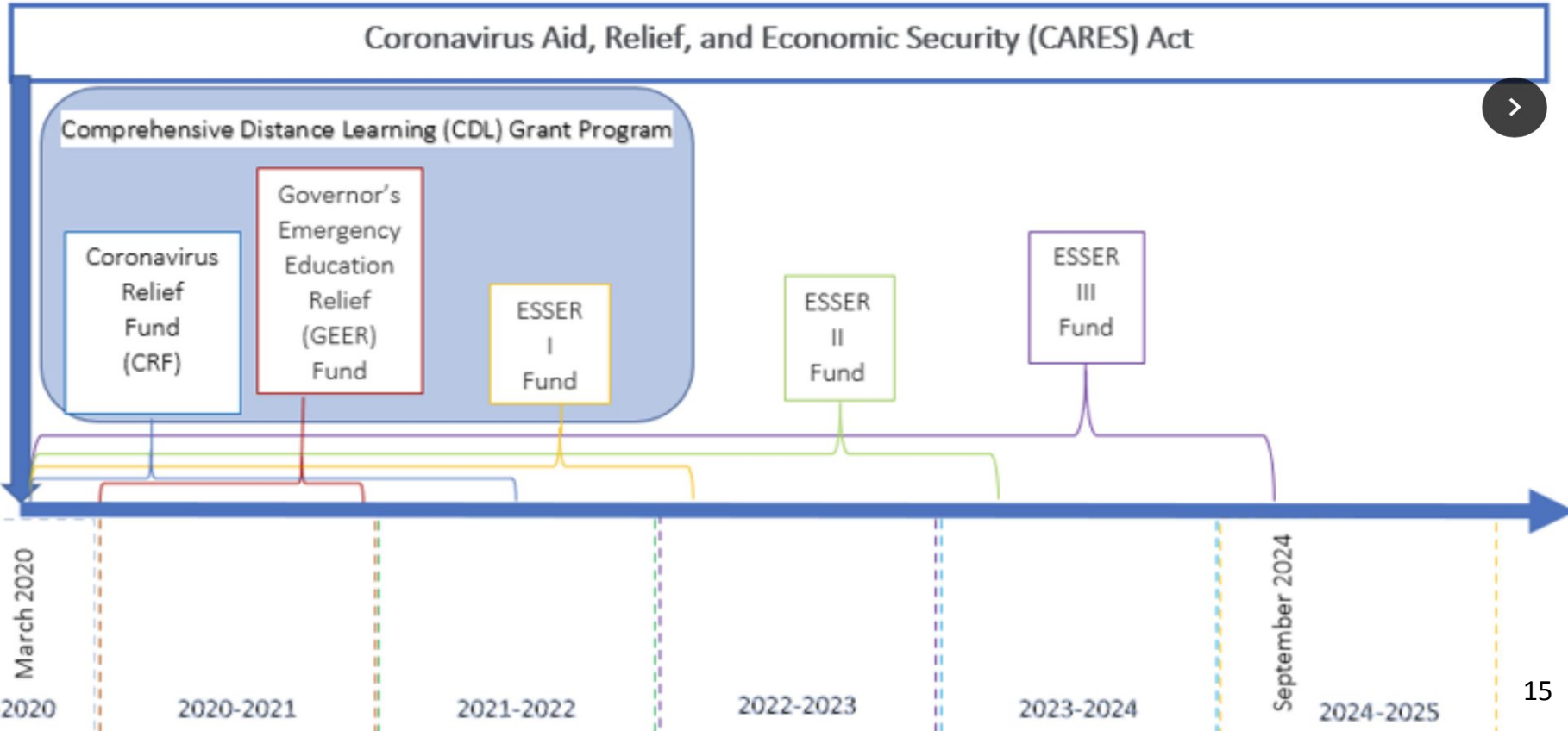
- The recent announcement by the state to invest \$250 million in summer programs is exciting. PPS is projected to receive \$14.7M to be spent by September 30, 2021
- As a response to the pandemic, at the federal level there has been an investment to support K-12 public school education through three rounds of stimulus funding (ESSER) whose remaining investment mix can be impacted by the above mentioned items.





Overview of Federal Stimulus Funds: Elementary and Secondary Emergency Relief (ESSER)

Assessing the lifespan of the ESSER funds to build a strategic & sustainable plan





Proposed Investment Plan

We are budgeting with moving variables. There are significant funding details that will be resolved in the next several months and as we learn more, we anticipate continuing to invest in key areas:

- Safety; continue to prepare and plan for modes of in-person and distant learning
- Stabilizing staff ratios at schools; due to unknown enrollment fluctuations
- Learning acceleration inclusive of summer
- Supporting the evolution of the strategic plan
- Meeting the Board established goals





Proposed FY2021-22 Investment Plan

Leveraging all funding streams for a robust plan. Examples of key investments

Learning*

(M = million)

- \$20M to address unfinished learning by more instructional specialists, social workers, special education staff, provide more time for professional development, expanding evening and virtual scholars programs and support a Saturday school.
- \$13M in the staffing plan equity allocation to support socio-economically disadvantaged and historically underserved students.
- \$10M to invest in a community-centered approach for summer enrichment and learning activities in order to provide safe, structured and engaging activities to enhance and expand the learning of our students.
- \$8M to enhance the learning environment by investing in class size stability, full implementation of MAP assessments and Successful Schools Survey, planning for boundary changes and aligning the arts pathway.
- \$7M in Title investments across schools to support early learning, Multi-Tier Support including direct allocations to schools to strengthen academic outcomes.
- \$5M to invest in extending summer access to childcare, extending contracts with SUN & RESJ partners (e.g. IRCO, SEI, Latino Network, NAYA, Indian Ed Summer Bridge) to support students over the summer.

**These are budgeted amounts and final amounts may depend on adopted budget and actual expenditures*



Proposed FY2021-22 Investment Plan

Leveraging all funding streams for a robust plan. Examples of key investments

Operations*

(M = million)

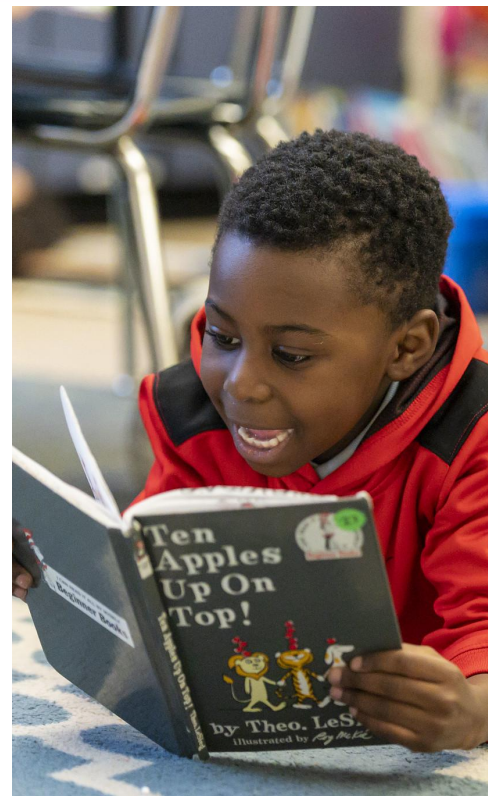
- \$330M to continue the work in modernizing our high schools, including the investment towards our Center for Black Student Excellence plus investing in environmental health and safety updates.
- \$58M towards investing in our technology infrastructure, including device replacement and classroom modernization.
- \$15M budgeted for the continued efforts towards updating our curriculum across the various academic disciplines.
- \$5M to support COVID recovery, inclusive of serving meals in various learning modes, increased custodial FTEs, prepare for hybrid reversal (e.g. move furniture that was moved off site back into the buildings), continuation of COVID (CDC/ASHRAE) ventilation measures, hotspot coverage.

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Racial Equity & Social Justice (RESJ) in Action - PPS RESJ Lens

- Update to RESJ Lens - increasing shared data literacy
- Staff RESJ Lens application for budget proposal
- Opportunities to continue to apply the lens:
 - CBRC (Community Budget Review Committee)
 - Community Engagement
 - Board Work Sessions





RESJ in Action - PPS RESJ Lens & Community Feedback

Budget Feedback: <https://forms.gle/RG4yKj6Fksf7t5oY7>

- 1) When reading/listening about the budget and the Racial Equity and Social Justice lens, what is your initial reaction?
- 2) What feedback do you have as we consider this proposed budget?
- 3) What questions/wonderings are you left with?





FY2021-22 Proposed Investment Plan

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FY2021-22 Budget Planning Timeline

| DATE | UPCOMING KEY ACTIVITIES |
|-----------------|---|
| <i>April 15</i> | <i>CBRC work session on the proposed budget</i> |
| <i>April 27</i> | <i>Superintendent's Proposed Budget Message to the Board CBRC in attendance</i> |
| <i>April 29</i> | <i>CBRC Work session on the proposed budget</i> |
| May 4 | School Board work-session Community Update & Public Comment on the Budget |
| May 11 | CBRC Presents Proposed Budget Report to the Board |
| May 25 | Approved Budget to the Board |
| June 15 | Adopted Budget to Board & TSCC Hearing |



Public Comment

