



Index to the Minutes

Regular Meeting

May 25, 2021

Attendance

Present: Chair Lowery, Directors Bailey, Brim-Edwards, DePass, Kohnstamm, Moore, Scott; Student Representative Shue

Absent: None

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Actions Taken

- **Resolution 6303: Affirming Support for the Albina Vision and Authorizing First Right of Offer**

Director Brim-Edwards moved and Director Bailey seconded the motion to approve Resolution 6303, Resolution Affirming Support for the Albina Vision and Authorizing First Right of Offer. The motion was put to a voice vote and passed (7-yes, 0-no), with student Representative Shue voting yes.

Director Scott Bailey: Yes, Director Julia Brim-Edwards: Yes, Director Michelle DePass: Yes, Director Amy Kohnstamm: Yes, Director Eilidh Lowery: Yes, Director Rita Moore: Yes, Director Andrew Scott: Yes; Student Representative Shue: Yes

- **Resolution 6304: Resolution to Recognize May as Asian American and Pacific Islander Heritage Month**

Director Kohnstamm moved and Director Brim-Edwards seconded the motion to approve Resolution 6304, Resolution to Recognize May as Asian American and Pacific Islander Heritage Month. The motion was put to a voice vote and passed (7-yes, 0-no), with Student Representative Shue voting yes (unofficial).

Director Scott Bailey: Yes, Director Julia Brim-Edwards: Yes, Director Michelle DePass: Yes, Director Amy Kohnstamm: Yes, Director Eilidh Lowery: Yes, Director Rita Moore: Yes, Director Andrew Scott: Yes; Student Representative Shue: Yes

- **Consent Agenda – Resolutions 6305 through 6312**

Director Scott moved and Director Kohnstamm seconded the motion to approve the consent agenda, including Resolutions 6305 through 6312. The motion was put to a voice vote and passed (7-yes, 0-no), with Student Representative Shue voting yes (unofficial).

Director Scott Bailey: Yes, Director Julia Brim-Edwards: Yes, Director Michelle DePass: Yes, Director Amy Kohnstamm: Yes, Director Eilidh Lowery: Yes, Director Rita Moore: Yes, Director Andrew Scott: Yes; Student Representative Shue: Yes

- **Resolution 6313: Resolution to Urge Legislators to Adequately Fund K-12 Public Schools**

Director Bailey moved and Director Moore seconded the motion to accept the posted proposed amendments to Resolution 6313 provided by Director Moore. The motion was put to a voice vote and passed (7-yes, 0-no), with Student Representative Shue voting yes (unofficial).

Director Scott Bailey: Yes, Director Julia Brim-Edwards: Yes, Director Michelle DePass: Yes, Director Amy Kohnstamm: Yes, Director Eilidh Lowery: Yes, Director Rita Moore: Yes, Director Andrew Scott: Yes; Student Representative Shue: Yes

Director Brim-Edwards moved and Director Scott seconded a motion to amend the resolution statement number 2 to read: The Portland Public Schools Board of Education urges legislators to publicly state their intention to adequately fund public schools. The motion was put to a voice vote and passed (7-yes, 0-no), with Student Representative Shue voting yes (unofficial).

Director Scott Bailey: Yes, Director Julia Brim-Edwards: Yes, Director Michelle DePass: Yes, Director Amy Kohnstamm: Yes, Director Eilidh Lowery: Yes, Director Rita Moore: Yes, Director Andrew Scott: Yes; Student Representative Shue: Yes

Director Kohnstamm moved and Director Bailey seconded the motion to approve Resolution 6313, Resolution to Urge Legislators to Adequately Fund K-12 Public Schools, as amended. Voice vote (7-yes, 0-no) Shue yes.

Director Scott Bailey: Yes, Director Julia Brim-Edwards: Yes, Director Michelle DePass: Yes, Director Amy Kohnstamm: Yes, Director Eilidh Lowery: Yes, Director Rita Moore: Yes, Director Andrew Scott: Yes; Student Representative Shue: Yes

- **Resolution 6314: Resolution Authorizing Pension Bonds and Related Matters**

Kohnstamm moved and Director Scott seconded the motion to approve Resolution 6314, Authorizing Pension Bonds and Related Matters. The motion was put to voice vote and passed (7-yes, 0-no) with student representative Shue voting yes.

Director Scott Bailey: Yes, Director Julia Brim-Edwards: Yes, Director Michelle DePass: Yes, Director Amy Kohnstamm: Yes, Director Eilidh Lowery: Yes, Director Rita Moore: Yes, Director Andrew Scott: Yes; Student Representative Shue: Yes

- **Resolution 6315: Southeast Enrollment and Program Balancing Process Phase 2 Process and Charge**

Director Bailey moved and Director Scott seconded the motion to approve Resolution 6315, Southeast Enrollment and Program Balancing Process Phase 2 Process and Charge. The motion was put to a voice vote and passed (7-yes, 0-no), with Student Representative Shue voting yes (unofficial).

Director Scott Bailey: Yes, Director Julia Brim-Edwards: Yes, Director Michelle DePass: Yes, Director Amy Kohnstamm: Yes, Director Eilidh Lowery: Yes, Director Rita Moore: Yes, Director Andrew Scott: Yes; Student Representative Shue: Yes

- **Resolution 6316: Southeast Enrollment and Program Balancing Process Phase 2 Process and Charge**

Director Scott Moved and Director Bailey seconded the motion to approve Resolution 6316, Resolution to Prepare for Full-Time Reopening of In-Person Learning for the 2021-22 School Year. The motion was put to a voice vote and passed (7-yes, 0-no), with Student Representative Shue voting yes (unofficial).

Director Scott Bailey: Yes, Director Julia Brim-Edwards: Yes, Director Michelle DePass: Yes, Director Amy Kohnstamm: Yes, Director Eilidh Lowery: Yes, Director Rita Moore: Yes, Director Andrew Scott: Yes; Student Representative Shue: Yes

- **Resolution 6317: Budget Committee Approval of the 2021-22 Budget and the Imposition of Property Taxes**

Director Bailey moved and Director Scott seconded the motion to approve Resolution 6317: Budget Committee Approval of the 2021-22 Budget and the Imposition of Property Taxes. The motion was put to a voice vote and passed (7-yes, 0-no), with student representative Shue voting yes (unofficial)

Director Scott Bailey: Yes, Director Julia Brim-Edwards: Yes, Director Michelle DePass: Yes, Director Amy Kohnstamm: Yes, Director Eilidh Lowery: Yes, Director Rita Moore: Yes, Director Andrew Scott: Yes; Student Representative Shue: Yes

RESOLUTION No. 6303

Resolution Affirming Support for the Albina Vision and Authorizing First Right of Offer

RECITALS

- A. In 2019, the PPS Board of Education adopted “PPS reimagined,” a community-driven vision for what we want to be true for the graduates, system, and educators of Portland Public Schools (PPS). This ambitious vision represents the values and aspirations of thousands of Portland students, families, staff, partners, and members of the community and articulates our foundational and enduring belief in Racial Equity and Social Justice: We believe in the fundamental right to human dignity and also believe that generating an equitable world requires an educational system that intentionally disrupts—and builds leaders to disrupt—systems of oppression.
- B. A decade after the PPS Board of Education adopted a historic Racial Educational Equity Policy that held racial equity and social justice as central tenets to our decisions and actions, PPS is determined to bring about racial justice, pushing a counter narrative for our Black, Native and Students and Families of Color. Through an updated [Racial Equity and Social Justice Framework and Plan](#), PPS continues its steadfast commitment to creating access to an array of possibilities and new opportunities for students, especially students of color, aligning our cultural norms, practices, and structures so that they center the lived experiences and hopes of our Black, Native and Students of Color, developing culturally responsive practices, including equitable budgeting, and strengthening our partnerships with culturally specific community-based providers to tailor individual supports to the needs of our students.
- C. An important aspect of this work is the acknowledgement of the permanence of the cultural and institutional racism that has existed in our system since its inception. Racist practices that advantage white students and disadvantage students of color have been reinforced by racist cultural narratives, beliefs, and norms. Six years before Oregon proposed a state constitution banning Black people from entering, residing, or acquiring property, Portland Public Schools, Oregon’s now-largest school system, was established. For close to 170 years, PPS failed to respond to struggles of communities of color—especially Black and Native American students. This pattern started when William Brown, a resident of Portland in the 1860s, tried to enroll his children in one of Portland’s only two public elementary schools, launching what would be the first recorded case of racism against Black children in Portland Public Schools.
- D. While our commitment to calling out and eradicating systems of oppression is clear in our words, plans, and values, we also know that cultural and institutional racism continues to produce disparities and negatively impact the lives of our students of color, but specifically for Black students. Reflecting on our community’s vision for PPS, our core values and educational system shifts, along with the acknowledgement of persistent, racialized predictors for student outcomes, we are called to strategically utilize and invest resources in a targeted and culturally responsive manner to achieve racial equity and social justice. Grounded in the belief that culturally-specific organizations are uniquely positioned to partner with PPS to support our racial equity and social justice goals, we continue our commitment to partner with culturally-specific and multiracial organizations.
- E. On June 11, 2020, the PPS Board of Education unanimously approved Resolution 6130. In this resolution, the Board declared that the lives of Black students and our Black community matter and committed to working with the Superintendent and the Portland community to create the conditions for every student, especially our Black and Native students who experience the greatest challenges, to realize the vision of the Graduate Portrait. It further commends the Superintendent and the District’s leadership for its bold commitment to center the lived experiences of our students and apply a racial equity and social justice lens to all high-leverage decisions.
- F. On July 28, 2020, the PPS Board of Education unanimously approved Resolution 6150. In that resolution, the Board included in the proposed 2020 bond the modernization of Jefferson High School and the development of a community-inspired Center for Black Student Excellence, as a physically built environment, and as a designated hub for culturally responsive education, immediate and long-term plans, and culturally specific partnerships to advance Black student achievement in PPS. On November 3, 2020, the voters of Portland approved the 2020 general obligation bond,

Bond Measure 26-215, with an overwhelming 75 percent approval, making way for the first phase of design and planning of investments in North and Northeast Portland facilities.

- G. Together, the Center for Black Student Excellence and the Jefferson High School modernization will rally students, families, and community stakeholders to develop a coherent set of strategies that will positively impact student achievement and outcomes while affirming Black student identity, and will include promoting and supporting culturally responsive/sustaining teaching and learning, from cradle to career. These two investments towards the schools in the heart of what was once the Albina community, will serve as a concrete—literally and figuratively--investment in our Black communities. It will reinforce and anchor our schools as centers of our communities, connecting a constellation of community schools, such as Boise Eliot/ Humboldt Elementary, Dr. Martin Luther King Jr. Elementary, Tubman Middle School, and Jefferson High School, and Black-led community-based organizations in the Albina Neighborhood.
- H. Albina was once a thriving, creative, and affordable neighborhood consisting of Black-owned businesses, homes, and faith institutions. It was the cultural capital of Portland with world class jazz venues, environmental justice initiatives, and education models created for and by Black Portlanders. Decades of disinvestment, urban renewal, and racist public policy disintegrated the neighborhood. The Albina Vision Trust (AVT) is a nonprofit organization created to steward the neighborhood's rebirth through the thoughtful transformation of the 94-acres of lower Albina.
- I. The Albina Vision is anchored in a comprehensive and long-term commitment to develop a community where honoring the past inspires us to build a better future. AVT seeks to create a youth-centered community in lower Albina designed to create opportunities for Portland's next generation of Black people to build wealth and reclaim home. A new neighborhood in the city would allow for intentional design for the safety of Black and brown children in the urban environment.
- J. In addition to an array of strategic efforts, Portland Public Schools recognizes that shaping learning environments to elevate Black identity and Black excellence will contribute to eliminating the racial achievement gap for every student.
- K. The Metro Regional Government, City of Portland, and philanthropic partners are current funders of the Community Investment Plan, a year-long district planning process to advance the Albina Vision. The Albina Vision also benefits from broad support across community, civic, advocacy, and business groups.
- L. The work of the Albina Vision Trust and the Black community in Portland to reclaim the Albina community is similar to the push for equitable access to public education, especially for our Black students and their families. This push has long been a key component of the civil rights movement and fight for racial justice and builds on the legacy of advocacy for Black children in Portland, and catalyzed by the social movements for Black Lives.
- M. Additionally, PPS acknowledges that Portland institutions and citizens participated in redlining and structurally organized policies, zoning, and planning that restricted or prevented Black, Indigenous, and communities of color from land ownership, and led to their disproportionate displacement through "urban renewal" or gentrification.
- N. With the recognition of our role, we know that as current caretakers of this ancestral land, the District recognizes its fiduciary responsibility to preserve and maintain its real property assets in a manner that will serve current students and future generations.
- O. The Portland Public Schools real estate property, Blanchard Education Service Center (BESC), sits at the center of the lower Albina neighborhood, and a key to the neighborhood's rebirth towards a youth-centered community.
- P. In June 2000, Multnomah County and Portland Public Schools entered into a 99-year lease for the use and occupancy of a part of the BESC by the County. The lease also granted Multnomah County rights of first opportunity and first refusal to purchase the BESC .

- Q. Institutions—especially Portland Public Schools--have a moment, an opportunity to lead, not with race-neutral plans, but with an anti-racist agenda that amplifies an intergenerational healing process among students, their families, and our community.

Resolved

Therefore, be it resolved that the Board:

- A. Authorizes the Superintendent to enter into an agreement with Albina Vision Trust, granting AVT a right of first offer on its lower Albina Blanchard Educational Service Center property.
- B. Authorizes the Superintendent to amend the lease between PPS and Multnomah County to subordinate the County's purchase rights to Albina Vision Trust, if AVT acquires any such rights. The School Board thanks Multnomah County and its Board of Commissioners for its partnership and for generously agreeing to this amendment.
- C. Stands firmly behind the *Albina vision*, a community-led reinvention and transformation of the 94-acres of lower Albina, from which thousands of primarily Black residents were forcibly displaced over decades of urban renewal. In this effort, we will stand shoulder to shoulder with the AVT and the Black community, to develop a youth-centered community in lower Albina that creates opportunities for Portland's next generation of Black people to learn, build wealth and reclaim home. This reinvention of the Albina neighborhood would also allow for intentional design for the safety of Black and brown children in the urban environment while at the same time providing the housing and community stability that supports education.
- D. Stands strongly in its commitment to authentically listen, learn and partner with our community's Black elders and listen to our Black youth to address the cultural and institutional racism that has existed in our system since its inception. This includes Black-led organizations and community based organizations accountable to Portland's Black community.
- E. Commits to affirming our community's long-held belief to lead with a robust Racial Equity and Social Justice agenda to center the lived experiences of our Black students, families, educators, and staff in our actions, decisions, and words.

Resolution No. 6304

Resolution to Recognize May as Asian American and Pacific Islander Heritage Month

RECITALS

- A. Asian American and Pacific Islander Heritage Month in the United States was celebrated beginning in 1978 and was made into a month-long event in 1992, to honor and recognize the contributions of the diverse Asian Americans and Pacific Islanders community.
- B. Asian & Pacific encompasses all of the Asian continent and the Pacific islands of Melanesia (New Guinea, New Caledonia, Vanuatu, Fiji and the Solomon Islands), Micronesia (Marianas, Guam, Wake Island, Palau, Marshall Islands, Kiribati, Nauru and the Federated States of Micronesia) and Polynesia (New Zealand, Hawaiian Islands, Rotuma, Midway Islands, Samoa, American Samoa, Tonga, Tuvalu, Cook Islands, French Polynesia and Easter Island). The identity and fluidity of AAPI community members is diverse and complex.
- C. During Asian American and Pacific Islander (AAPI) Heritage Month, we acknowledge people of Asian and Pacific Islander heritage who live and work in Oregon, contributing meaningfully to Oregon's and the United States' economy, culture, education, politics, arts, literature, science and technological developments despite institutional and systemic injustices designed to prevent and limit these achievements and contributions.
- D. Asian Americans and Pacific Islanders are among the fastest growing communities in Oregon and Multnomah County. This migration has been both voluntary and forced due to war, economic opportunity, environmental degradation and other circumstances in their native countries.
- E. During AAPI Heritage Month we acknowledge the additional determination, hard work, and perseverance, people of AAPI heritage must put forth to be heard and seen and that these additional efforts are a result of inequitable institutional and systemic injustices.
- F. The historic lack of a curriculum reflecting the diverse AAPI cultures and heritages and the harm of stereotypes has an adverse impact on AAPI students, who need culturally-relevant social, emotional and academic supports to achieve and thrive in our schools. The adoption and implementation of a culturally-relevant curriculum benefits Asian American & Pacific Islander students as well as mental health supports that are language inclusive and culturally specific and greater data disaggregation, especially for Pacific Islander communities.
- G. Portland Public Schools has many enrolled Asian American, Pacific Islander students, and students who identify with AAPI heritage;
- H. Asian American and Pacific Islander employees serve PPS students in a diverse cross section of roles and contribute to the accomplishment of PPS's mission at every level within every department and division of the District; students benefit from continuing efforts to elevate AAPI teachers, principals, school and central office staff as representation from these diverse communities is important for all our students, especially AAPI students.
- I. Our families and our school communities honor and preserve the linguistic and cultural assets of students through student clubs, programs such as our Dual Language Immersion, Ethnic Studies, Critical Race Theory courses, and the option to obtain a Seal of Biliteracy upon graduation

- J. The Dual Language Immersion programs in PPS honor and enrich the diverse backgrounds of our heritage and native Chinese, Japanese and Vietnamese speakers, while exposing non-native speakers to diverse multilingual and multicultural perspectives;
- K. Our district and our community is strengthened by the support and advocacy of organizations like IRCO Asian Family Center and Asian Pacific American Network of Oregon (APANO).
- L. Oregon has a long history of discrimination against members of the AAPI community, and racially motivated discrimination and harassment is at a high with a national and local spike in hate crimes against the broader Asian American Pacific Islander community.
- M. AAPI community members have been disproportionately impacted by incidences of hate and discrimination during the COVID-19 pandemic, and these experiences have disproportionately impacted our AAPI youth.

RESOLVED

The Portland Public Schools Board of Education recognizes May as Asian American and Pacific Islander Heritage Month and strongly encourages our staff and community to observe, recognize, and celebrate the culture, heritage, and contributions of Asian American and Pacific Islanders to our country, our state, our cities, and our schools.

The PPS Board of Education and Superintendent Guerrero sees our diverse Asian American and Pacific Islander students and staff, strongly denounces this violence against our Asian American and Pacific Islander community members, and continues to explore and embrace ways to support Asian American and Pacific Islander students in our schools.

The PPS Board of Education supports Oregon State Representative Khanh Pham's legislative proposal to combat anti-Asian hate and bias crimes by fully funding a culturally-responsive bias response hotline, enhancing data collection efforts, establishing a bias crime victim's relief fund and continuing to invest in culturally-specific affordable housing.

RESOLUTION No. 6305

The Following Index to the Minutes are offered for Adoption

- May 11, 2021 – Regular Meeting

RESOLUTION No. 6306

Expenditure Contracts that Exceed \$150,000 for Delegation of Authority

RECITAL

Portland Public Schools (“District”) Public Contracting Rules PPS-45-0200 (“Authority to Approve District Contracts; Delegation of Authority to Superintendent”) requires the Board of Education (“Board”) enter into contracts and approve payment for products, materials, supplies, capital outlay, equipment, and services whenever the total amount exceeds \$150,000 per contract, excepting settlement or real property agreements. Contracts meeting this criterion are listed below.

RESOLUTION

The Superintendent recommends that the Board approve these contracts. The Board accepts this recommendation and by this resolution authorizes the Deputy Clerk to enter into the following agreements.

NEW CONTRACTS

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
2KG Contractors, Inc.	5/26/21 through 10/31/21	Construction C 90117	Partial re-roof and ADA upgrades at MLC. Invitation to Bid – Construction 2021-2957	\$2,758,500	C. Hertz Fund 456 Dept. 5511 Project DS006
2KG Contractors, Inc.	5/26/21 through 10/30/22	Construction C 90115	Seismic rehabilitation at Lent. Invitation to Bid – Construction 2021-2956	\$5,807,000	C. Hertz Fund 458 Dept. 5511 Project DS020
Skyward Construction	5/26/21 through 12/30/21	Construction C 90118	New roof and fall protection at Duniway. Invitation to Bid – Construction 2021-2953	\$2,960,000	C. Hertz Fund 456 Dept. 5511 Project DS006
Luminal Lighting, LLC	5/26/21 through 12/31/21	Construction C 90095	Replace lighting fixtures at BESC. Invitation to Bid – Construction 2021-2951	\$158,690	C. Hertz Fund 101 Dept. 5592
Harrang Long Gary Rudnick P.C.	5/26/21 through 6/30/22	Legal Services LS 90127	Provide legal assistance to the District on an as-needed basis. Direct Negotiation – Legal Services PPS-46-0525(13)	\$300,000	L. Large Fund 101 Dept. 5460
Ameresco, Inc.	7/1/21 through 6/30/24 Option to renew for one additional two year term through 2026	Services S 90130	Provide troubleshooting and repair assessment of BAS/HVAC mechanical issues across all District buildings as needed. Request for Proposals 2021-2950	Original Term: \$1,875,000 Total through renewals: \$3,125,000	C. Hertz Fund 101 Dept. 5592
Curriculum Associates, Inc.	5/26/21 through 5/26/27	Digital Resource DR XXXXX	Purchase of Ready Classroom Teacher Toolbox on a subscription basis. Approved Special Class Procurement – Copyrighted Materials and Creative Works PPS-47-0288(4)	\$4,452,509	K. Cuellar Funding Source Varies

NEW COOPERATIVE PURCHASING AGREEMENTS

No New Cooperative Purchasing Agreements

NEW INTERGOVERNMENTAL AGREEMENTS (“IGAs”)

No New IGAs

AMENDMENTS TO EXISTING CONTRACTS

Contractor	Contract Term	Contract Type	Description of Services	Amendment Amount, Contract Amount	Responsible Administrator, Funding Source
Multnomah County Service District (MESD)	3/5/21 through 6/30/21	Intergovernmental Agreement IGA 90000 Amendment 1	Adds equity fund allocation for contracted alternative school to increase the variety of CTE programming and the number of participating students.	\$142,444 \$173,112	K. Cuellar Fund 251 Dept. 5485 Grant HW500
Mt. Scott Learning Center	3/9//21 through 6/30/21	Personal Services PS 89761 Amendment 1	Adds equity fund allocation for contracted alternative school to improve staff compensation packages and staff retention rate. Request For Proposals 2015-2021	\$113,575 \$160,890	K. Cuellar Fund 251 Dept. 5485 Grant HW500
First Response, Inc.	10/1/19 through 9/30/21	Services S 68554 Amendment 5	Alarm response and patrol. Adding funds for for increased patrols due to vandalism and break-ins as a result of school closures or reduced hours of operation. Request For Proposals 2019-2661	\$325,000 \$1,095,064	C. Hertz Fund 101 Dept. 5530

RESOLUTION No. 6307

Revenue Contracts that Exceed \$150,000 Limit for Delegation of Authority

RECITAL

Portland Public Schools (“District”) Public Contracting Rules PPS-45-0200 (“Authority to Approve District Contracts; Delegation of Authority to Superintendent”) requires the Board of Education (“Board”) to enter into and approve all contracts, except as otherwise expressly authorized. Contracts exceeding \$150,000 per contractor are listed below.

RESOLUTION

The Superintendent recommends that the Board approve these contracts. The Board accepts this recommendation and by this resolution authorizes the Deputy Clerk to enter into the following agreements.

NEW REVENUE CONTRACTS

No New Revenue Contracts

NEW INTERGOVERNMENTAL AGREEMENTS / REVENUE (“IGA/Rs”)

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
State of Oregon	3/13/20 through 9/30/23	Intergovernmental Agreement/Revenue IGA/R 90131	Elementary and Secondary School Emergency Relief (ESSER) funds for Columbia Regional Program.	\$1,287,669	K. Cuellar Fund 205

AMENDMENTS TO EXISTING REVENUE CONTRACTS

No Amendments to Existing Revenue Contracts

RESOLUTION No. 6308

Calendar of Regular Board Meetings School Year 2021-22

RESOLUTION

The Board of Education hereby adopts the below calendar as its schedule of Regular Board Meetings for the upcoming 2021-22 school year. Regular Board meetings are held at 501 North Dixon Street, Portland, Oregon, 97227, and, unless otherwise noticed, begin at 6:00pm on Tuesdays. Board meetings may be held in a school building, or virtually. Virtual meetings will also be live streamed.

July 13, 2021	January 11, 2022
July 27, 2021	January 25, 2022
August 10, 2021	February 8, 2022
August 24, 2021	February 22, 2022
September 14, 2021	March 1, 2022
September 28, 2021	March 15, 2022
October 12, 2021	April 5, 2022
October 26, 2021	April 19, 2022
November 2, 2021	May 10, 2022
November 16, 2021	May 24, 2022
December 14, 2021	June 14, 2022
	June 28, 2022

RESOLUTION No. 6309

Approval of Head Start Policy Council Recommendation

RECITALS

- A. Federal requirements call for the Governing Board of a Head Start program to approve recommendations for the program.
- B. The Board of Directors for Portland Public Schools serves as the Governing Board for the PPS Head Start Program.
- C. Portland Public Schools Policy Council recommends the approval of the Budget/Planning Recommendations for Fiscal Year 2022.
- D. Prior to development of the annual budget and submission of the Federal and State grant applications, budget and program priorities are developed with Head Start Parent Policy Council Attached you will find the minutes from the budget priorities meeting developed by the Parent Policy Council with Head Start staff.
- E. Priorities are developed depending on available funding.

RESOLUTION

- 1. The Board of Directors for Portland Public Schools, School District No. 1J, Multnomah County, Oregon, approves the Head Start Policy Council recommendations as stated above.

RESOLUTION No. 6310

Authorizing the Early Termination of De La Salle North Catholic High School in Order to Prepare for the Benson Campus at Kenton Elementary School Located at 7528 N Fenwick Avenue, Portland, Oregon

RECITALS

- A. Board Resolution No. 5859 Authorizing Benson Campus Master Plan Revisions & Updates identified Kenton Elementary as a swing site during the modernization of the Benson Campus.
- B. The De La Salle North Catholic High School (De La Salle) lease will expire on July 31, 2021.
- C. De La Salle owes nearly three-hundred thousand dollars in past due rent \$300,000.
- D. The Benson Campus will be relocated to Marshall High School and Kenton during the summer of 2021 in preparation for an August 2021 construction start.
- E. Early termination of the De La Salle lease will assure that De La Salle will vacate Kenton in a timely manner without the need for judicial remedy and will provide time to prepare Kenton for occupancy by Alliance at Benson, DART / Clinton, and Reconnection Services during the construction of the Benson Campus.
- F. Early termination terms will provide for the partial recovery of past due rent without the need for judicial remedy.
- G. The parties have reached the terms of an early termination subject to the approval of the School Board of Education.

RESOLUTION

- 1. The Board hereby authorizes the early termination of De La Salle North Catholic High School lease.
- 2. The Board hereby authorizes the Deputy Clerk to execute the Early Termination Agreement and other required documents in a form approved by District General Counsel and to terminate the De La Salle North Catholic High School lease so that Kenton can be prepared as a swing site for the District's students during the construction of the Benson Campus and some of the past due rent can be recovered without the need for judicial remedy.

RESOLUTION No. 6311

District Council of Unions and School District No. 1J, Multnomah County, Oregon,
Letter of Agreement - quarantine pay

RECITALS

- A. The District Council of Unions approached PPS about entering into an agreement so that employees who are required to isolate as a result of COVID-19 do not suffer a loss of pay.

RESOLUTION

The Superintendent is authorized and directed to execute the Letter of Agreement between the District Council of Unions and School District No. 1J, Multnomah County, Oregon, as provided to the Board of Education and filed in the record of this meeting.

RESOLUTION No. 6312

Resolution Accepting the Superintendent's Designee's Emergency Declaration and Approving an Exemption from the Competitive Bidding Requirements to Allow the District to Utilize Funds from COVID-19 Public Health Emergency Allocations.

RECITALS

A. The Portland Public Schools Board of Education has recognized the tremendous impact that the COVID-19 pandemic has had on the nation, Oregon, and all public entities, including the District.

B. The pandemic has had a significant impact on District students and families, and they need as much support as possible during this time. The Board also specifically recognizes that COVID-19 has disproportionately impacted Black, American Indian/Alaska Native, and Latino/a/x, Pacific Islander communities; students experiencing disabilities; and students and families navigating poverty.

C. Students, families, and educators have been resilient in the face of the many challenges that have been presented by the pandemic. Nevertheless, many students have experienced interrupted learning and inconsistent connections with their peers. Many students also continue to have challenges meeting basic needs such as food, shelter and wellness, and support for mental, social, and emotional health.

D. The Oregon legislature has funded and the Department of Education has allocated approximately \$14.7 million dollars to PPS to be used for specifically delineated summer educational and enrichment programs and activities designed to mitigate the impacts of the public health emergency, specifically the social and emotional health and welfare of students and families, created by the COVID-19 pandemic ("Funds"). These Funds must be used by September 30, 2021, and students need the services these Funds will provide as soon as possible.

E. The Superintendent's Designee has found that the conditions created by the pandemic qualify as an emergency for the purposes of ORS 279B.080 and District Policy and Administrative Directives.

F. Oregon Revised Statutes 279.010(1)(f) and 279B.080 and District Policy 8.50.090-P allow the District to enter into public contracts without competitive bidding if an emergency exists. ORS 279A.010(1)(f) defines emergency as "circumstances that:

(A) Could not have been reasonably foreseen;

(B) Create a substantial risk of loss, damage or interruption of services or a substantial threat to property, public health, welfare or safety; **and**

(C) Require prompt execution of a contract to remedy the condition.

District policy 8.50.100-P provides that the Board, as the Local Contract Review Board, has delegated its authority under the Public Contracting Law to the District Superintendent and their Designees, who are required to make all public purchasing processes comply with applicable state public contracting law. The Superintendent's Designee seeks to utilize the District's emergency public contracting provisions for immediate negotiation and execution of contracts with one or more qualified contractors, service providers, and providers of goods and materials for the following purposes:

- a. To assist the District in its response to the public health emergency created by unforeseeable circumstances of the COVID-19 pandemic and the Oregon Legislature's passage of HB 5024-A and companion Senate legislation.
- b. To take all necessary action, including the provision of non-educational services necessary for such support and programs, and to deliver supplemental education and learning support to students during the months of May through September, 2021.

G. The emergency public contracts will enable the District to provide the following services:

- *Summer Academic Support Grants*: Funds to provide summer school programs for high school students to acquire academic credits needed to stay on-track for graduation. Support for students experiencing disability and English learner services also must be provided. Approximately \$71.9 million of state funding will be provided to support 75% of the estimated cost associated with these programs. The remaining 25% will be provided by using other state, local, or federal funds, including, but not limited to, funding from the Elementary and Secondary School Education Relief (ESSER) grants.
- *Summer Enrichment/Academic Program Grants*: Provides funding for the District to offer services for K-8 students for: (1) enrichment activities (including but not limited to: robotics, dance, martial arts, art, music, outdoor programs, etc.); (2) academic learning and readiness supports (including but not limited to: summer school, bridge programs, transition programs, etc.); and/or (3) social-emotional and mental health services. Support for students experiencing disability and English learner services must be provided. Approximately \$93.4 million of state funding will be provided to support 75% of the estimated cost associated with these programs. The remaining 25% will be provided by using other state, local or federal funds, including, but not limited to, funding from the several Elementary and Secondary School Education Relief (ESSER) grants.
- *School Child Care Grants*: Provides a supplemental grant opportunity for Title I eligible school districts to provide wrap-around child care services for K-5 students that participate in summer academic and enrichment programs supported through the Summer Enrichment/Academic Program Grant.

Approximately \$40.0 million in state and federal funds will provide 100% of the costs related to these programs.

RESOLUTION

Therefore, it is resolved that:

1. The Board of Education thanks PPS families and employees for their hard and innovative work to serve and support students to the fullest extent possible during the COVID-19 pandemic. The Board also thanks students for their perseverance, adaptability, and dedication during the pandemic and for their commitment to their education.
2. To address the time constraints created by the unforeseen legislation and take full advantage of the resources available to assist students and families this summer, the District must promptly execute contracts. Use of standard public contracting procedures for services, goods, and materials is not feasible, as it would result in unacceptable delays and possible loss of Funds and resulting loss of services to students. Any delay would have an immediate detrimental impact on students and their families, as well as staff.
3. An emergency declaration accepted by the District's Local Contract Review Board is consistent with the emergency needs of the District. The circumstances presently existing meet those contemplated in ORS 279A.010(1)(f) and ORS 279B.080 as an emergency. The Board hereby approves the Superintendent's Designee's Emergency Declaration and authorizes the Designee to enter into such contracts as necessary to provide the services and allocate the Funds as described above. Such contracts shall not exceed a total value of \$10 (ten) million dollars.

RESOLUTION No. 6313

Resolution to Urge Legislators to Adequately Fund K-12 Public Schools

RECITALS

- A. Adequately funding public education to serve students and families is among the most critical responsibilities of the Oregon State Legislature.
- B. Portland Public Schools intends to permanently return to full-time in-person instruction in the fall of 2021, if allowed by federal and state public health authorities.
- C. In order for PPS to provide its minimum current level of service to students, with the same number of teachers and same number of school days, the Legislature must allocate \$9.6 billion to the State School Fund.
- D. The budget framework released by the co-chairs of the Joint Ways and Means Committee included a \$9.3 billion allocation to the State School Fund, which would create a \$300 million gap in funding for K-12 schools.
- E. This funding gap would create an \$11.1 million dollar operating deficit in the 2021-22 Portland Public Schools fiscal year budget, equal to the cost of 3 days of school or 106 licensed teachers.
- F. The Superintendent's current proposed budget, which assumes the \$9.3 billion, is an inadequate level of funding which will significantly inhibit the district's ability to address pandemic-related learning loss and trauma.
- G. Special revenue funds from the state Student Investment Account and the federal Elementary & Secondary Schools Emergency Relief Funds are specifically targeted for discrete needs to support social emotional learning and recover from pandemic learning loss and are not intended or eligible to be used to backfill reductions in general fund allocations from the State School Fund.
- H. Even a State School Fund of \$9.6 billion would be well below the Quality Education Commission's estimate of \$9.994 billion for current service level funding that would still leave total K-12 funding \$833 million (9.1%) short of full funding to achieve the Quality Education Model, adopted by the legislature in 2000.
- I. Any State School Fund allocation of less than \$9.6 billion would critically undermine the intent of the Student Success Act and set back the district's progress in developing and expanding equity-focused initiatives and programs that serve historically marginalized students and families.

RESOLVED

- 1. In light of the remarkably positive recent revenue projections for the next 3 biennia, the Portland Public Schools Board of Education exhorts Oregon legislators to approve a State School Fund of \$9.6 billion at a minimum to ensure the continuation of current service level for students and families.
- 2. The Portland Public Schools Board of Education urges legislators to publicly state their intention to adequately fund public schools.

RESOLUTION NO. 6314

Resolution Authorizing Pension Bonds and Related Matters

RECITALS

A. Portland Public Schools, Multnomah County, Oregon also known as Multnomah County School District 1J (“PPS” or the “District”) is authorized by Oregon Revised Statutes (“ORS”) 238.692 to 238.698 to issue revenue bonds pursuant to ORS Chapter 287A to finance its pension liability as defined in ORS 238.692(1); and

B. The District previously issued its Limited Tax Pension Bond, Series 2002, Limited Tax Pension Bond, Series 2003, and Limited Tax Pension Refunding Bond, Series 2012 (collectively, the “Prior Pension Bonds”) to finance and refinance a portion of the District’s share of the estimated unfunded pension liability at that time; and

C. In connection with the Prior Pension Bonds, the District entered into an intercept agreement (the “Intercept Agreement”) with the State of Oregon Department of Education (“ODE”) in which ODE agreed to divert State funding for the District that is legally available to pay debt service on such bonds (the “State Education Revenues”) to a trustee for payment of the Prior Pension Bond debt service; and

D. School districts and education service districts have a pooled unfunded pension liability to the Oregon Public Employees Retirement System (“OPERS”) and, based on the District’s portion of the total school district and education service district payroll, the District’s allocated portion of the unfunded pension liability (the “Pension Liability”) is estimated to be \$326,122,015 as of December 31, 2019; and

E. ORS 238.697 requires that the District (1) obtain a statistically based assessment from an independent economic or financial consulting firm regarding the likelihood that investment returns on bond proceeds will exceed the interest cost of the bonds under various market conditions and (2) make a report (the “Report”) available to the general public that describes (a) the result of the assessment and (b) discloses whether the District has retained the services of an independent SEC-registered advisor; and

F. The Report is attached hereto as Exhibit A and the District has obtained an assessment (the “Assessment”), dated January 21, 2021 and further updated on April 15, 2021, from ECONorthwest, an independent economic consulting firm, which is attached to the Report; and

G. The District understands that the Assessment is based on facts and assumptions that are subject to change, including market projections that are anticipated to be updated by the Oregon Investment Council in June, 2021 and that in order to help evaluate the potential risk in the absence of updated market information, the Assessment was revised to include higher borrowing rate assumptions to approximate less-favorable future market conditions; and

H. Current interest rates in the bond market are below 4.50 percent, creating the opportunity for the District to finance all or a portion of its unfunded pension liability and potentially reduce its costs.

RESOLUTION

1. The Board of Directors (the “Board”) of the District hereby authorizes the issuance of full faith and credit pension bonds (“Bonds”) in accordance with this resolution and in an amount which does not exceed the amount necessary to produce net proceeds equal to the Pension Liability as reported by the OPERS’s actuary as of the expected date of the lump sum payment, plus costs of issuing the Bonds.

2. Bond proceeds may be used to pay all or a portion of the Pension Liability and to pay costs of issuing the Bonds. The District may direct that a portion of the Bond proceeds be directly paid to OPERS after closing and a portion be retained by the District for payment to OPERS over time as determined by the District's Superintendent, Deputy Superintendent of Business & Operations, Chief Financial Officer, or the person designated by any of those individuals to act under this resolution (each a "District Official").
3. As of the date of this resolution, OPERS charges the District a rate of 7.20 percent per annum on its unfunded liability because that is the assumed rate of return that OPERS expects, over the long term, to earn on its investments. Issuing Bonds at a lower rate of interest and depositing proceeds at OPERS in a Side Account ("Side Account") may reduce costs for the District if the rate of return on the Bond proceeds deposited in the Side Account exceeds the borrowing costs. To maximize the potential for the rate of return on the OPERS fund to exceed the rate of interest on the Bond, the Bond shall not be sold at a true interest cost of more than 4.0% per annum.
4. The District Official shall compare the cash flows required to pay the Bonds to the payroll rate credit currently estimated from the Side Account and determine a Bond structure which the District Official estimates will be advantageous to the District.
5. The District Official is authorized to execute a letter to be sent to OPERS requesting the necessary payoff figures and to pay any fees required in connection therewith or, if such letter has been executed prior to the adoption of this resolution, the Board hereby ratifies such action.
6. In addition, the District Official may, on behalf of the District, and without further action by the Board:
 - a. Sell or issue the Bonds in one or more series, which may be sold at different times.
 - b. Participate in the preparation of, authorize the distribution of, and deem final any official statement or other disclosure documents relating to the Bonds.
 - c. Enter into covenants for the benefit of owners of the Bonds that are intended to improve the terms under which the Bonds are issued.
 - d. Apply for ratings on the Bonds and purchase municipal bond insurance or obtain other forms of credit enhancements for the Bonds, enter into agreements with the providers of credit enhancement, and execute and deliver related documents.
 - e. Publish a notice of sale, receive bids and award the sale of each series of the Bonds to the bidder complying with the notice and offering the most favorable terms to the District, or select one or more underwriters or other lenders and negotiate the sale of any series with those underwriters or other lenders.
 - f. Appoint a trustee, registrar, paying agent, municipal advisor, bond counsel, and/or any other professionals whose services are desirable for the Bonds and negotiate the terms of and execute any agreements with such professionals.
 - g. Establish the final principal amount, payment schedule, interest rates (subject to the limit in Section 3 of this resolution), and other terms of the Bonds.
 - h. Undertake to provide continuing disclosure for the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission and any other applicable requirements of the United States Securities and Exchange Commission and any other federal agencies.

- i. Enter into one more trust agreements or similar documents, which describe the terms of the Bonds.
 - j. Execute and deliver a supplement to the Intercept Agreement and any related documents, in order to provide for diversion of State Education Revenues to a trustee to pay debt service on the Bonds, including a certificate demonstrating that State Education Revenues in each of the three most recently completed fiscal years is not less than two (2.0) times the average annual debt service on the Bonds and any other outstanding pension bonds issued under the Intercept Agreement, including the Prior Pension Bonds.
 - k. Issue any series of Bonds on a standalone basis, or as part of a pooled pension borrowing program that is expected to produce savings for the District, and enter into any agreements and execute any documents desirable to facilitate participation in that program.
 - l. Execute and deliver any agreements or other documents, and take any other action in connection with the Bonds that a District Official finds is desirable to issue the Bonds in accordance with this resolution.
7. The Bonds shall be payable from all lawfully available funds of the District and shall be secured by the District's full faith and credit and taxing power within the limitations of Article XI, Sections 11 and 11b of the Oregon Constitution as permitted by ORS 287A.315. The District may also pledge amounts under the Intercept Agreement, as it may be supplemented, to secure the Bonds.
8. This resolution shall take effect on the date of its adoption by the Board.

Exhibit A

Report on Pension Bonds

Prior to the issuance of full faith and credit pension bonds, Portland Public Schools, Multnomah County, Oregon also known as Multnomah County School District 1J (the “District”) has obtained a statistically based assessment from ECONorthwest entitled “Issuance of Pension Obligation Bonds – A Risk/Reward Analysis” updated as of April 15, 2021 (the “Assessment”) pursuant to ORS 238.697(1)(a). The Assessment was updated in order to include a fourth assumed pension bond true interest cost to help evaluate the potential risk associated with less-favorable future market conditions that may be projected in updated market information (anticipated to be available from the Oregon Investment Council in June, 2021).

The District has prepared this report pursuant to ORS 238.697(1)(b) (the “Report”).

In connection with the issuance of pension obligation bonds, the District has retained the services of Piper Sandler & Co., an independent municipal advisor registered with the Securities and Exchange Commission.

The Assessment is attached to this Report as Exhibit 1.

A description of the results of the Assessment follows:

DATE: April 15, 2021
TO: Angie Peterman, Oregon Association of School Board Officials
FROM: ECONorthwest
SUBJECT: Pension Obligation Bond Analysis Executive Summary

Introduction

ECONorthwest recently conducted an analysis to evaluate the risks and rewards of issuance of Pension Obligation Bonds (POBs) by public employers that are part of the Oregon Public Employee Retirement System (OPERS).¹ For this analysis, we assumed that officials of governmental entities receiving our report are in a position to finance such bonds. Proceeds from the POBs would be added to, or used to create, side account balances to be managed in the same way as other PERS assets, by the Investment Division of the Oregon Treasury under the guidance of the Oregon Investment Council (OIC). This executive summary outlines the motivation for issuing POBs, our analytic methodology, and findings from our analysis. Additional details about the analysis are presented in our main report.

Background

Like many other states, Oregon's PERS has seen a growing gap between the cost of PERS benefits promised to participating public employees and the funding available for those benefits, resulting in an unfunded actuarial liability (UAL). Resolving the UAL will require increasing contributions from participating public employers over a long period of time. Pension obligation bonds, if issued in an economical manner and invested in a higher yielding portfolio, can potentially improve the ability of employers to pay their share of PERS obligations to the OPERS fund. Whether or not issuance of POBs makes sense in this setting will depend upon the likely evolution of side account returns relative to true interest cost (TIC) of the POBs.

Employers may benefit if the TIC of a bond issue is low relative to the potential return opportunities of a PERS side account over the same future period as the bond issues. However, this outcome is by no means assured. The true interest cost of carrying the POB debt would be known, but the employer also has to consider the risks associated

¹ The analysis provided in this document was developed by ECONorthwest for informational purposes only. All possible professional care was taken to prepare a realistic emulation of the likely POB side account behavior, and the OPERS procedures for accommodating POBs. State of the art modeling and statistical software was employed in this exercise. It should be recognized, however, that there are practical limits to the precision with which market and agency behavior can be modeled. The generic nature of the modeling performed may or may not be relevant to the circumstances of any one public employer. Additionally, nothing herein should be construed as offering investment advice or fairness opinions for the purpose of issuing securities. For this, interested parties should seek out professional counsel.

with committing future revenue paying to the POB debt. In addition, the future rate of returns to side account deposits are not known with certainty.

Portfolio allocation and other decisions made by the OIC influence the performance of the OPERS assets, as can the timing of the issuance of POBs. The primary determinants of the risk to POB issuers are (1) uncertainty in the performance of the asset classes that comprise the side account, (2) asset allocation choices made by the trustees of that account, and (3) the interactions of these factors with the POB strategy of the public employer(s).

To quantify these risks, our analysis models side account performance over time under various market conditions and bond issuance scenarios. The results quantify the potential risks and rewards of POBs under the assumed conditions.

Methodology

The model simulates side account performance using portfolio allocation targets obtained from OIC documents, and on forecasts of anticipated asset returns, based on reports from Oregon Treasury Investment Division staff, their consultants, and OPERS actuaries. We combine this information with assumptions about side account management. Specifically, we assume:

1. Side account balances are amortized at a constant share of payroll over the remaining life of the side account (assumed to expire on 12/31/2039, during fiscal year 2040).
2. Funds equal to the relevant percent of payroll are removed from the account as employer rate relief.
3. Earnings on side account deposits are credited annually.

To characterize the distribution of potential benefits to employers of POB issuance, we conduct 20,000 simulations of side account performance over the life of the account for each of four assumed POB TICs (2.5 percent, 3.5 percent, 4.5 percent, and 5.5 percent).² Each simulation represents a different, potential future path of account returns over time. For each simulation, we compare the benefits provided to employers in the form of rate relief to the cost of bond repayment. In doing so, we quantify two important measures of risk and reward:

² The fourth TIC of 5.5% was not modeled in our original report. In lieu of updated market projections (anticipated to be available from OIC in June, 2021), the additional scenario provides an alternative means to evaluate the potential risk of less-favorable future market conditions relative to those anticipated in our original report.

- **The present value (PV) of POB issuance.** This measure identifies the current value to employers of future benefits of POB issuance (the extent to which rate relief obtained exceeds bond repayments).
- **The probability that PV is greater than zero.** This measure of risk identifies the likelihood, given the assumptions in the model, that the current value of POB issuance would prove beneficial to the employer (if PV falls below zero, POB issuance is more costly to the employer than not issuing bonds).

Summary of findings

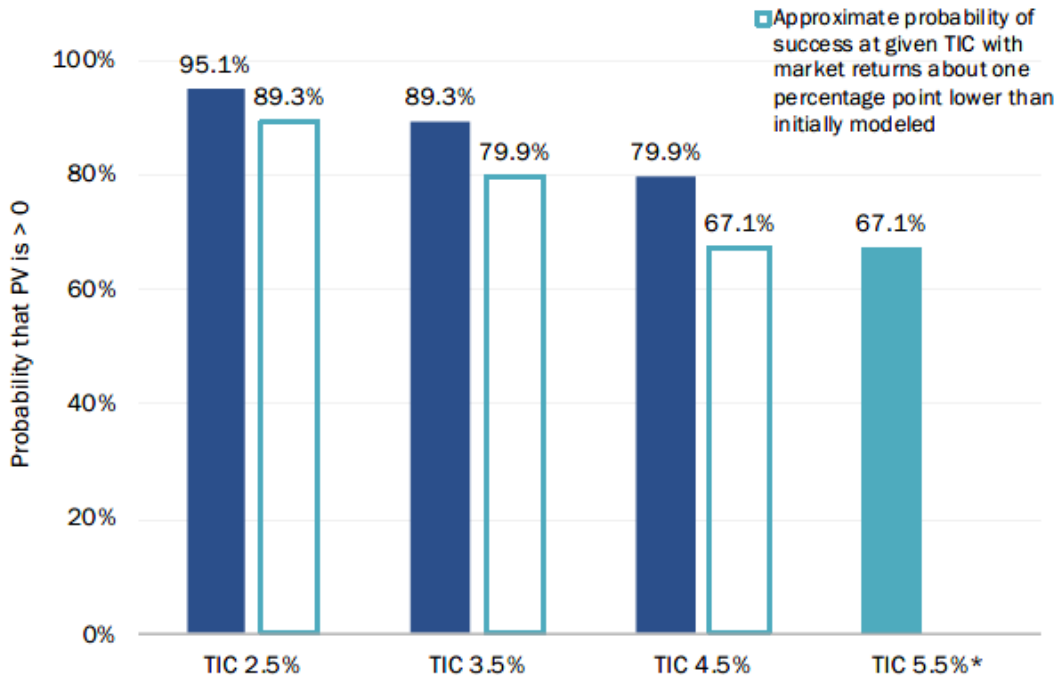
The findings presented below refer to an initial side account deposit of \$1 million. The results can be scaled to approximate the potential risks and rewards of larger or smaller deposits. For example, a \$2 million deposit would generate a benefit or loss of two times the dollar amounts shown in the charts and tables below. The probability that the PV is greater than zero depends on the TIC, not on the size of the initial deposit.

We added a fourth TIC of 5.5% to the analysis to help evaluate the potential risk associated with less-favorable future market conditions that may be projected in updated market information (anticipated to be available from OIC in June, 2021) relative to those anticipated in our original report. Output from the new scenario provides an approximate characterization of the potential risk inherent in less favorable market conditions than those modeled in the original report. For example, the 5.5% TIC scenario output is roughly analogous to a 4.5% TIC bond issue with market returns approximately one percentage point below those anticipated in our original analysis. The 4.5% TIC scenario can be similarly compared to the 3.5% TIC scenario output.

Our analysis assumes a maturity date for the bonds in fiscal year 2040. The projected annualized geometric mean return over the term of the bonds is 7.1, with a 5th percentile annualized return of 3.9 percent and a 95th percentile annualized return of 10.6 percent.

Figure 1 shows the probability that the present value of POB issuance is greater than zero. As the chart demonstrates, this probability declines as TIC increases. The solid bars show this probability for each TIC as initially modeled. The outlined bars show these probabilities based on our approximation of less favorable market conditions (e.g., at a TIC of 3.5%, the probability of a present value greater than zero is approximated by the modeled probability for a TIC of 4.5%).

Figure 1: Probability that the present value of POB issuance is greater than zero, various TICs



Source: ECONorthwest

*The fourth TIC of 5.5% was added to our analysis to help evaluate the potential risk associated with less-favorable future market conditions relative to those anticipated in our original report. For example, the 5.5% TIC scenario provides output that is roughly analogous to a 4.5% TIC bond issue with market returns approximately one percentage point below those anticipated in our original analysis. The 4.5% TIC scenario can be similarly compared to the 3.5% TIC scenario output, and so on.

Figure 2 illustrates the range (5th percentile, median, and 95th percentile) of present values obtained from the simulations for each TIC. This distribution shifts downward as TIC increases. At 2.5 percent TIC, the 5th percentile present value is close to zero. At 4.5 percent TIC the 5th percentile outcome is below zero and equal in magnitude to 16 percent of the initial deposit. For the additional 5.5 percent TIC scenario, at the 5th percentile the outcome is below zero and equal in magnitude to 22 percent of the initial deposit. These values, in combination with the probabilities described above, quantify some of the financial risks of POB issuance.

Figure 2: 5th percentile, mean, and 95th percentile present value, various TICs



Source: ECONorthwest

*The fourth TIC of 5.5% was added to our analysis to help evaluate the potential risk associated with less-favorable future market conditions relative to those anticipated in our original report. For example, the 5.5% TIC scenario provides output that is roughly analogous to a 4.5% TIC bond issue with market returns approximately one percentage point below those anticipated in our original analysis. The 4.5% TIC scenario can be similarly compared to the 3.5% TIC scenario output, and so on.

Figure 3 provides additional detail about the distribution of outcomes. As illustrated in earlier figures, outcomes at every point in the distribution are more positive at lower TICs. Present values are also somewhat more volatile at lower TICs, as evidenced by the higher standard deviations.

Figure 3: Distribution of present value and probability of a positive present value, various TICs

Rate (TIC)	2.5%	3.5%	4.5%	5.5%*
Mean	\$548,932	\$402,262	\$274,215	\$162,064
Std Deviation	\$419,122	\$370,750	\$329,071	\$293,051
Maximum	\$3,393,617	\$2,967,149	\$2,592,638	\$2,262,810
Minimum	\$(336,091)	\$(385,105)	\$(428,435)	\$(466,879)
95th Perc	\$1,322,700	\$1,088,074	\$882,791	\$703,077
90th Perc	\$1,104,226	\$893,399	\$709,810	\$548,797
75th Perc	\$770,245	\$599,774	\$450,156	\$320,087
50th Perc	\$480,961	\$342,299	\$220,903	\$114,852
25th Perc	\$248,540	\$136,280	\$38,418	\$(47,779)
10th Perc	\$85,882	\$(8,851)	\$(91,354)	\$(163,865)
5th Perc (VaR)	\$2,913	\$(82,433)	\$(157,047)	\$(222,771)
Zero Bound Perc	95.1%	89.3%	79.9%	67.1%

Source: ECONorthwest

*The fourth TIC of 5.5% was added to our analysis to help evaluate the potential risk associated with less-favorable future market conditions relative to those anticipated in our original report. For example, the 5.5% TIC scenario provides output that is roughly analogous to a 4.5% TIC bond issue with market returns approximately one percentage point below those anticipated in our original analysis. The 4.5% TIC scenario can be similarly compared to the 3.5% TIC scenario output, and so on.

Exhibit 1

Assessment

**Issuance of Pension
Obligation Bonds**
A Risk/Reward Analysis

Update

April 15, 2021

Randall J. Pozdena, PhD

Andrew Dyke, PhD

ECONorthwest

ECONOMICS · FINANCE · PLANNING

Introduction

ECONorthwest
ECONOMICS • FINANCE • PLANNING

Outline of Our Remarks

- Introduction
 - Basics of Pension Obligation Bonds (POBs)
 - Purpose of this Analysis
- Approach
 - Monte Carlo Methodology
 - Asset Return and Allocation Assumptions
 - Alternative Scenarios Modeled
- Model Findings
 - Side Account Performance and the Potential Benefits of POBs to Employers
- Implications
- Acknowledgements, Caveats and Disclaimers

This analysis was prepared to assist issuers of POBs in understanding the risks and returns of POBs under hypothetical conditions. Individuals should seek professional guidance concerning the relevance of this analysis to their circumstances.

3

Basics of POBs

- POBs are bonds issued by state or local governments to fund public employee pension obligations
 - First issued by City of Oakland in 1986 to arbitrage between tax-exempt borrowing rates and higher market investment yields of pension assets
- The Tax Reform Act of 1986 eliminated tax exemption for POBs
 - Higher yields of diversified portfolios relative to borrowing costs revived POB arbitrage opportunities in 1990s
- Still seen as a potential way to lower cost of pension funding
 - Use is heaviest by high-UAL plans (CA, IL, and OR)

This analysis was prepared to assist issuers of POBs in understanding the risks and returns of POBs under hypothetical conditions. Individuals should seek professional guidance concerning the relevance of this analysis to their circumstances.

4

Purpose of this Analysis

- Measure the potential risks and rewards of POBs
- The potential advantages of POBs to public employers depend upon the relative performance of the investment vehicle (“side account”) and POB issuance costs
 - Issuance of POBs may reduce employer costs of pension funding
 - However, high side account yields are not achieved without risk
- Key measures of POB performance
 - The mean expected net present value (PV) of side account returns relative to POB total interest costs
 - The risk profile of the PV given uncertainty about side account returns
- This update includes a fourth TIC of 5.5% that was not modeled in the original report. In lieu of updated market projections (anticipated to be available from OIC in June, 2021), the additional scenario provides an alternative means to evaluate the potential risk of less-favorable future market conditions relative to those anticipated in our original report.

This analysis was prepared to assist issuers of POBs in understanding the risks and returns of POBs under hypothetical conditions. Individuals should seek professional guidance concerning the relevance of this analysis to their circumstances.

5

Approach



Approach: Monte Carlo Simulation

- Quantifying advantages to issuers is complex
 - The future path of asset yields is not known precisely
 - Side account management and actuarial treatment of POB contributions must be emulated
- ECONorthwest uses Monte Carlo techniques to simulate uncertainty in side account performance
 - Individual asset class returns are stochastic
 - Rebalancing behaviors are linked to asset returns paths
- ECONorthwest POB model also emulates POB and Plan features
 - Alternative Total Interest Cost (TIC) of the POB issue
 - Actuarial treatment of POB contributions

This analysis was prepared to assist issuers of POBs in understanding the risks and returns of POBs under hypothetical conditions. Individuals should seek professional guidance concerning the relevance of this analysis to their circumstances.

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Model Assumptions

- Four issuance cost (TIC) assumptions: 2.5%, 3.5%, 4.5%, 5.5%*
- Our analysis uses the portfolio target and asset returns characteristics forecast for the OIC/OST in February 2020 by Callan, an investment consultant to OST.
- Current allocation based on OPERF valuation as of 10/31/2020.
- All analyses assume a \$1 m. total POB contribution to facilitate scaling.
- Present value calculations include calculated earnings through December 2039 (assumed end of the side account) and bond costs through 2040.

*The fourth TIC of 5.5% was added to our analysis to help evaluate the potential risk associated with less-favorable future market conditions relative to those anticipated in our original report.

This analysis was prepared to assist issuers of POBs in understanding the risks and returns of POBs under hypothetical conditions. Individuals should seek professional guidance concerning the relevance of this analysis to their circumstances.

8

Asset Return and Allocation Assumptions

Asset Class	Future Returns and Volatility		Portfolio Allocation		
	Mean	St. Dev.	Range	Target	Current*
All Public Equity	--	--	27.5 - 37.5%	32.5%	29.3%
Broad U.S. Equity	7.2%	18.0%	--	16.3%	14.7%†
Global ex-U.S. Equity	7.3%	20.5%	--	16.3%	14.7%†
Illiquid alternatives	7.4%	12.5%	7.5 - 17.5%	15.0%	10.6%
Diversifying Strategies	6.0%	11.0%	0 - 5.0%	0.0%	2.1%
Fixed Income	2.8%	3.8%	15.0 - 25.0%	20.0%	20.2%
Private Equity	9.2%	26.3%	13.5 - 21.5%	17.5%	24.8%
Real Estate	7.0%	12.2%	9.5 - 15.5%	12.5%	11.0%
Risk Parity	6.3%	11.0%	0.0 - 2.5%	2.5%	2.0%

Source: ECONorthwest from Callan and OST data.

Notes:

* Current allocation is based on 10/31/2020 valuation.

† Values have been imputed using target allocations.

Asset Return and Allocation Assumptions

Asset Class Returns Correlation over Time

Asset Class	Broad US Equity	Global Ex-US Equity	Private Equity	Fixed Income	Real Estate	Illiquid Alternatives	Diversifying Strategies	Risk Parity
Broad US Equity	1.00	0.85	0.92	-0.11	0.69	0.43	0.23	0.55
Global Ex-US Equity	0.85	1.00	0.88	-0.14	0.66	0.40	0.20	0.55
Private Equity	0.92	0.88	1.00	-0.23	0.77	0.55	0.15	0.40
Fixed Income	-0.11	-0.14	-0.23	1.00	-0.06	0.02	0.15	0.45
Real Estate	0.69	0.66	0.77	-0.06	1.00	0.56	0.20	0.54
Illiquid Alternatives	0.43	0.40	0.55	0.02	0.56	1.00	0.17	0.29
Diversifying Strategies	0.23	0.20	0.15	0.15	0.20	0.17	1.00	0.33
Risk Parity	0.55	0.55	0.40	0.45	0.54	0.29	0.33	1.00

Amortization Assumptions

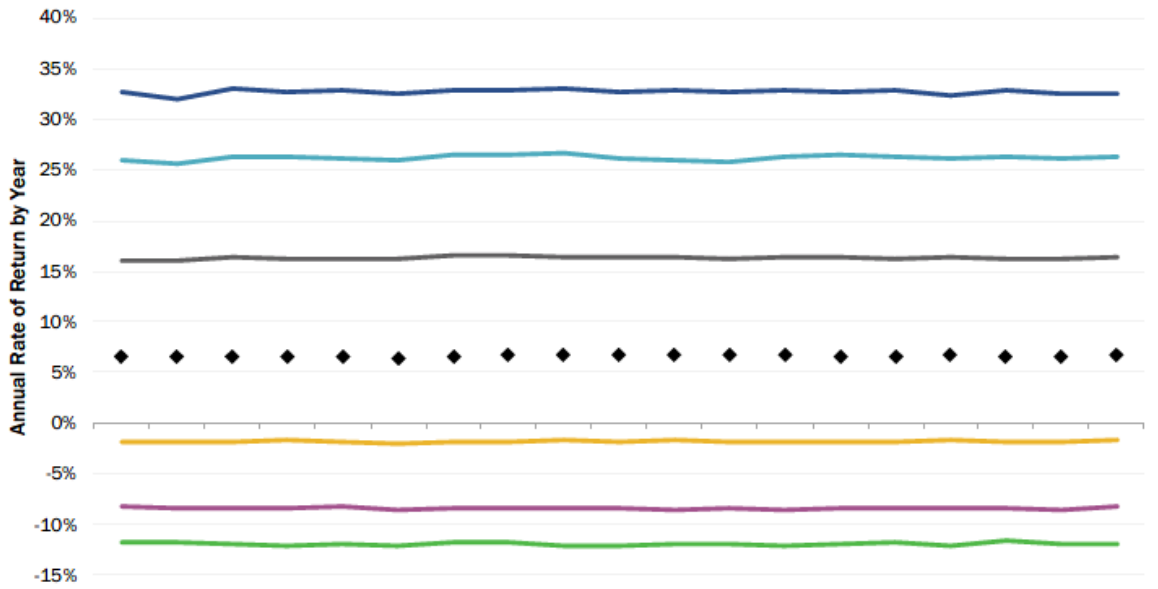
- Side account balances are influenced by amortization procedures
 - Balances amortized as a constant percent of payroll over remaining life of the side account (the account is assumed to end on 12/31/2039)
 - Each year, the percent of payroll that is determined by the amortization is taken out of the modeled side account balance for employer rate relief
 - Assumed earnings rate of 7.2% and 3.50% payroll growth rate are used in amortization
- Current plan procedures are incorporated:
 - Credited earnings and deducted transfers to the Employer Reserve for rate relief are accommodated
- Earnings are credited annually at the simulated portfolio rate of return
 - Applied to the beginning balance for the year minus one half of the amount taken out for rate relief

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Model Results



Mean Annual Side Account Return and Range

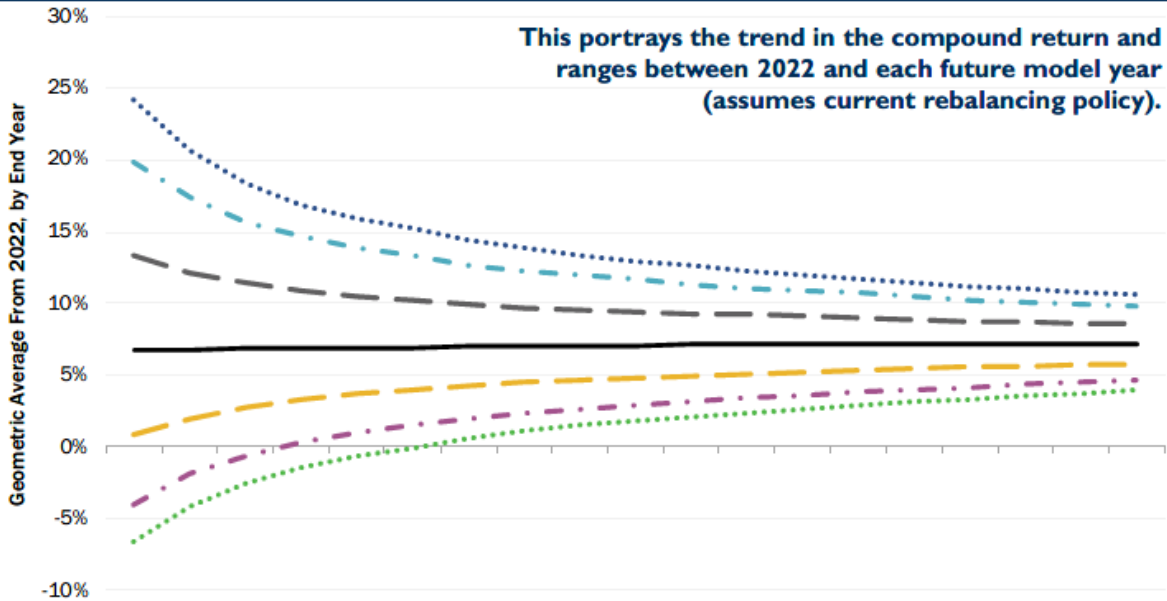


Percentile	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
95th	32.7%	32.0%	33.0%	32.8%	32.8%	32.5%	32.9%	32.9%	33.0%	32.7%	32.8%	32.7%	33.0%	32.7%	32.8%	32.4%	32.9%	32.5%	32.5%
90th	25.9%	25.6%	26.3%	26.2%	26.1%	25.9%	26.4%	26.5%	26.7%	26.1%	25.9%	25.8%	26.3%	26.4%	26.3%	26.1%	26.3%	26.2%	26.4%
75th	16.1%	16.0%	16.3%	16.3%	16.3%	16.2%	16.5%	16.5%	16.5%	16.4%	16.4%	16.3%	16.5%	16.3%	16.2%	16.4%	16.2%	16.2%	16.4%
50th	6.6%	6.5%	6.5%	6.6%	6.6%	6.3%	6.6%	6.7%	6.8%	6.7%	6.7%	6.7%	6.7%	6.6%	6.6%	6.7%	6.6%	6.6%	6.7%
25th	-1.8%	-1.8%	-1.9%	-1.7%	-1.8%	-2.0%	-1.8%	-1.8%	-1.7%	-1.8%	-1.7%	-1.8%	-1.8%	-1.8%	-1.8%	-1.8%	-1.8%	-1.8%	-1.7%
10th	-8.3%	-8.4%	-8.3%	-8.5%	-8.3%	-8.5%	-8.4%	-8.4%	-8.4%	-8.4%	-8.5%	-8.4%	-8.5%	-8.3%	-8.4%	-8.4%	-8.4%	-8.5%	-8.2%
5th	-11.7%	-11.8%	-12.0%	-12.1%	-12.0%	-12.1%	-11.8%	-11.8%	-12.1%	-12.2%	-12.0%	-12.0%	-12.1%	-11.9%	-11.8%	-12.0%	-11.6%	-11.9%	-11.9%

Mean Annual Side Account Returns (cont.)

- The forecast extends to fiscal year 2040, the last year the side account exists
 - Trend in mean annual return
 - Increase from 6.6% in 2022 to 6.7% as of the 2040 forecast horizon
 - Trend in 95th percentile return
 - Decreases from 32.7% in 2022 to 32.5% as of the 2040 forecast horizon
 - Trend in 5th percentile return
 - Decreases from -11.7% in 2022 to -11.9% as of the 2040 forecast horizon
- Trends are similar to recent forecasts by consultants to OIC/OST and OPERS

Geometric Mean Returns from 2022, by Year



Percentile	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
95th	24.2%	20.6%	18.4%	16.9%	15.9%	15.2%	14.4%	13.8%	13.4%	13.0%	12.6%	12.3%	12.0%	11.7%	11.4%	11.2%	11.0%	10.8%	10.6%
90th	19.8%	17.4%	15.7%	14.6%	13.9%	13.3%	12.7%	12.3%	11.9%	11.7%	11.3%	11.1%	10.9%	10.7%	10.5%	10.2%	10.1%	9.9%	9.8%
75th	13.3%	12.1%	11.4%	10.9%	10.5%	10.2%	10.0%	9.7%	9.6%	9.4%	9.3%	9.2%	9.1%	8.9%	8.9%	8.8%	8.7%	8.6%	8.5%
50th	6.7%	6.8%	6.8%	6.9%	6.9%	6.9%	7.0%	7.0%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%
25th	0.8%	2.0%	2.7%	3.3%	3.7%	4.0%	4.2%	4.5%	4.6%	4.8%	4.9%	5.1%	5.2%	5.3%	5.4%	5.5%	5.6%	5.7%	5.8%
10th	-4.0%	-1.9%	-0.6%	0.3%	1.0%	1.5%	1.9%	2.3%	2.6%	2.9%	3.2%	3.4%	3.6%	3.8%	4.0%	4.1%	4.3%	4.4%	4.6%
5th	-6.7%	-4.1%	-2.5%	-1.5%	-0.6%	0.0%	0.6%	1.1%	1.5%	1.8%	2.1%	2.4%	2.6%	2.9%	3.1%	3.3%	3.5%	3.7%	3.9%

Geometric Mean Returns (cont.)

- Fiscal year 2040 is the assumed final year of bonds
 - The projected annualized geometric mean return over the term of the bonds is 7.1%
 - The 95th percentile return is 10.6%
 - The 5th percentile return is 3.9%
- Again, the forecast returns are similar to those derived by other consultants to OIC and OPERS

The Effect of Issuance TIC on PV of POBs

- The PV of the POB strategy varies inversely with TIC
 - Expected value of POB policy is \$548,932, \$402,262, \$274,215, and \$162,064 (per million dollars) for TICs of 2.5%, 3.5%, 4.5%, and 5.5%, respectively.
- Also, 5th percentile VaR increases with TIC
 - VaR per million dollars is \$(2,913), \$82,433, \$157,047, and \$222,771 (per million dollars) for TICs of 2.5%, 3.5%, 4.5%, and 5.5%, respectively.
- We added a fourth TIC of 5.5% to the analysis to help evaluate the potential risk associated with less-favorable future market conditions relative to those anticipated in our original report.
- Output from the new scenario provides an approximate characterization of the potential risk inherent in less favorable market conditions than those modeled in the original report.
- For example, the 5.5% TIC scenario provides output that is roughly analogous to a 4.5% TIC bond issue with market returns approximately one percentage point below those anticipated in our original analysis. The 4.5% TIC scenario can be similarly compared to the 3.5% TIC scenario output, and so on.

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The Effect of TIC on PV of POBs

*The fourth TIC of 5.5% was added to our analysis to help evaluate the potential risk associated with less-favorable future market conditions relative to those anticipated in our original report. For example, the 5.5% TIC scenario provides output that is roughly analogous to a 4.5% TIC bond issue with market returns approximately one percentage point below those anticipated in our original analysis. The 4.5% TIC scenario can be similarly compared to the 3.5% TIC scenario output, and so on.



POB Probability of Success: $PV > \$0$

- This is another perspective on risk
 - The VaR measures the 5th percentile dollar value at risk
 - The zero bound measures the overall probability of the dollar value of the PV benefit being more than zero (i.e., success)

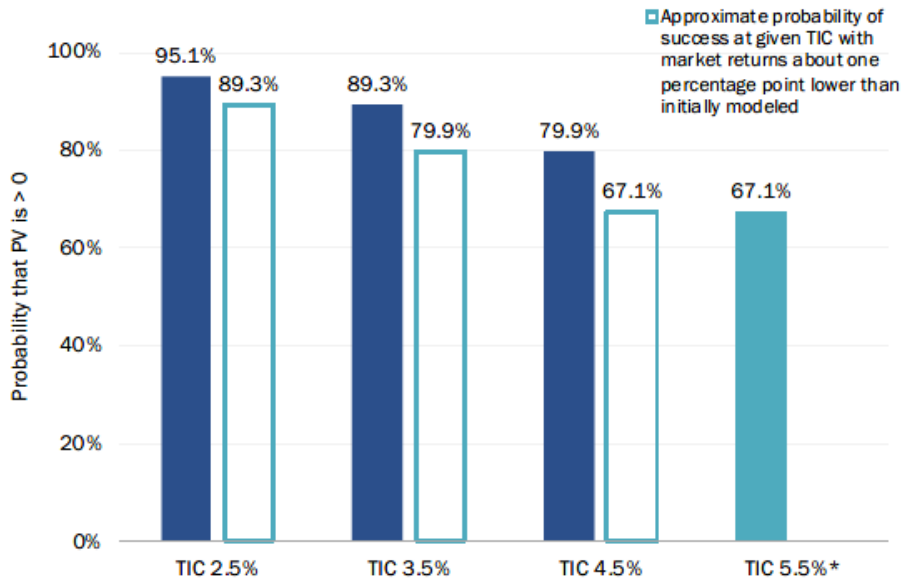
- Model results
 - The probability of a positive PV is lower for higher TICs
 - Probabilities of being above zero range from 67% (TIC 5.5%*) to 95% (TIC 2.5%)

*The fourth TIC of 5.5% was added to our analysis to help evaluate the potential risk associated with less-favorable future market conditions relative to those anticipated in our original report. For example, the 5.5% TIC scenario provides output that is roughly analogous to a 4.5% TIC bond issue with market returns approximately one percentage point below those anticipated in our original analysis. The 4.5% TIC scenario can be similarly compared to the 3.5% TIC scenario output, and so on.

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Probability that PV is More than \$0

*The fourth TIC of 5.5% was added to our analysis to help evaluate the potential risk associated with less-favorable future market conditions relative to those anticipated in our original report. For example, the 5.5% TIC scenario provides output that is roughly analogous to a 4.5% TIC bond issue with market returns approximately one percentage point below those anticipated in our original analysis. The 4.5% TIC scenario can be similarly compared to the 3.5% TIC scenario output, and so on.



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Summary PV Statistics, by Scenario

*The fourth TIC of 5.5% was added to our analysis to help evaluate the potential risk associated with less-favorable future market conditions relative to those anticipated in our original report. For example, the 5.5% TIC scenario provides output that is roughly analogous to a 4.5% TIC bond issue with market returns approximately one percentage point below those anticipated in our original analysis. The 4.5% TIC scenario can be similarly compared to the 3.5% TIC scenario output, and so on.

No. of Tranches	1	1	1	1
Rate (TIC)	2.5%	3.5%	4.5%	5.5%*
Mean	\$548,932	\$402,262	\$274,215	\$162,064
Std Deviation	\$419,122	\$370,750	\$329,071	\$293,051
Maximum	\$3,393,617	\$2,967,149	\$2,592,638	\$2,262,810
Minimum	\$(336,091)	\$(385,105)	\$(428,435)	\$(466,879)
95th Perc	\$1,322,700	\$1,088,074	\$882,791	\$703,077
90th Perc	\$1,104,226	\$893,399	\$709,810	\$548,797
75th Perc	\$770,245	\$599,774	\$450,156	\$320,087
50th Perc	\$480,961	\$342,299	\$220,903	\$114,852
25th Perc	\$248,540	\$136,280	\$38,418	\$(47,779)
10th Perc	\$85,882	\$(8,851)	\$(91,354)	\$(163,865)
5th Perc (VaR)	\$2,913	\$(82,433)	\$(157,047)	\$(222,771)
Zero Bound Perc	95.1%	89.3%	79.9%	67.1%

This table summarizes the simulations of the present value of potential gains from implementing a POB strategy. All dollar amounts are per \$1 million of POB funding.

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Conclusions

- The expected value to employers of a POB strategy is positive (in present value terms)
 - The expected value is non-trivial proportion of POB funding under the scenarios modeled
 - The 5th percentile VaR is less than the expected PV in all of the scenarios modeled except for the 2.5% TIC scenario.
- However, there is a non-trivial probability that the present value of POBs is zero or less, and the probability increases with TIC
- Important considerations for individual employers
 - The issuance TIC
 - Some issuance costs are not included in TIC
 - Whether the employer's payroll growth rate is the same as currently assumed by the PERS actuary

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Acknowledgements, Caveats, and Disclaimers

The authors wish to acknowledge the kind assistance of Mike G Mueller of the Oregon State Treasury, Investment Division for their kind assistance, and for Callan and Associates staff's generous provision of capital market assumptions. We also wish to thank Carol Samuels of Piper Sandler & Co. for her assistance in providing insight into muni market conditions. Finally, a note of gratitude to Carl Batten, original developer of the ECONorthwest POB model, for his ongoing assistance with subsequent iterations of the model, including the version used in this analysis. None of the statements or analysis herein should be attributed to anyone other than ECONorthwest staff.

The analysis provided in this document was developed by ECONorthwest for informational purposes only. All possible professional care was taken to prepare a realistic emulation of the likely POB side account behavior, and the OPERS procedures for accommodating POBs. State of the art modeling and statistical software was employed in this exercise. It should be recognized, however, that there are practical limits to the precision with which market and agency behavior can be modeled. The generic nature of the modeling performed may or may not be relevant to the circumstances of any one public employer. Additionally, nothing herein should be construed as offering investment advice or fairness opinions for the purpose of issuing securities. For this, interested parties should seek out professional counsel.

This analysis takes the narrow perspective of measuring the potential benefits of POB issuance to current employers and taxpayers. Whether use of pension obligation bonds is good public policy is a matter of professional debate and is not addressed herein.

This analysis was prepared to assist issuers of POBs in understanding the risks and returns of POBs under hypothetical conditions. Individuals should seek professional guidance concerning the relevance of this analysis to their circumstances.

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RESOLUTION No. 6315

Southeast Enrollment and Program Balancing Process Phase 2 Process and Charge

RECITALS

- A. In June of 2019, the Portland Public Schools (PPS) Board of Education adopted an ambitious vision, *PPS reimagined*, co-constructed by a broad coalition of students, staff and community stakeholders, that provides an aspirational North Star and direction to guide the transformation of our school system.
- B. While PPS engages in multi-pronged efforts to improve student outcomes through the implementation of academic strategies and social-emotional support for our students, the District also has several system issues related to the use of its physical facilities that impact student success. To address these issues, the Board of Education and the Superintendent launched an enrollment and program balancing process through Resolution 6059 in February 2020.
- C. The first phase of the process focused on conversion of K-8 schools in Southeast, as part of re-opening Kellogg Middle School. The Southeast Guiding Coalition (SEGC) delivered recommendations in December 2020, and the Board adopted a plan for Kellogg Middle School in January 2021.
- D. At a work session on February 22, 2021, the Board provided direction to staff on the Phase 2 scope of work, supporting a narrow scope focused on converting Harrison Park from a K-8 to a middle school for the 2022-23 school year.
- E. On May 11, 2021, the Board of Education reviewed and provided input on the scope of work and draft SEGC charge.

RESOLUTION

The Board of Directors adopts the Phase 2 charge for Southeast enrollment and program balancing, and directs the Superintendent to report back at regular intervals during the process.

Charge for the SE Guiding Coalition - Phase 2:

The Coalition will propose revisions to attendance area boundaries and specialized program locations, including dual language immersion, special education services, focus option programs/schools, and pre-k programs, in order to support equitable access to programs and services. Specifically, the Coalition will recommend:

- Attendance area and special program assignments for Harrison Park Middle School
- A plan to relocate K-5 students and programs currently served at Harrison Park
- A plan to increase enrollment at Lane Middle School

The Coalition will strive to support racial equity, social justice, Middle School Redesign, balanced enrollment, and optimized facilities for the 2022-23 school year and beyond. To inform their work, the Coalition will become familiar with current and forecast enrollment data and student demographic and facility utilization information. In addition, PPS staff will provide guidance on preferred locations and configurations of dual language immersion programs, special education services, focus option programs, and pre-K services. SEGC Phase 2 will also be informed by enrollment targets, developed in collaboration with PPS Middle School Redesign efforts.

PPS has launched a Middle School Redesign process anchored to its middle school philosophy. It advocates that students be able to explore and establish their own identity. This can be accomplished by ensuring students have access to a variety of electives and avenues for exploring their interests. There will be opportunities for project-based learning that deepens students' understanding and extends learning through application in authentic settings.

Rethinking middle schools also emphasizes the need to honor the whole child and build upon their physical, mental, and emotional well-being. Middle School Redesign connects PPS Reimagined and the emerging strategic plan's priorities and goals to the middle school experience.

The Coalition will receive feedback on their proposals via two virtual public open houses and additional listening opportunities with key stakeholders. The Coalition will provide a recommendation to the Deputy Superintendent, or before, the last committee meeting in December 2021. The Deputy Superintendent will be responsible for evaluating the Coalition's recommendations and bringing a proposal forward to the Portland Public School Board of Directors at the first board meeting in January 2022.

Guiding Principles

Core values serve as guiding principles for the SE Guiding Coalition throughout the enrollment and program balancing process. Guiding principles are not prioritized and are all important to promote.

When considering enrollment and program balancing the Coalition will stand for the following core values, as stated in the PPS Vision:

- Students at the center
- Racial equity and social justice
- Honesty and integrity
- Excellence
- Respect
- Relationships
- Creativity and innovation
- Partnerships and collaboration
- Grounded in the spirit of Portland
- Joyful learning and leadership

Outcome Goal

Support equitable programming to improve the middle school experience, particularly at Harrison Park and Lane middle schools. In order to meet this goal, the SE Guiding Coalition will use current and forecast enrollment data, student demographic and facility utilization information, programs goals and middle school enrollment targets to:

- Balance students across SE middle schools, ensuring Harrison Park and Lane middle schools have sufficient enrollment to offer full programming. This may be accomplished through boundary adjustments, whole-school feeder pattern changes, and specialized program movement.
- Realign middle school boundaries so that the Kellogg building is located within its own attendance area.
- Determine the future location for Harrison Park K-5 students, and related boundary changes and specialized program moves.

RESOLUTION No. 6316

Resolution to Prepare for Full-Time Reopening of In-Person Learning for the 2021-22 School Year

RECITALS

- A. On April 13, 2021, Superintendent Guadalupe Guerrero stated that the District expects to fully reopen for five days a week of in-person instruction when the new school year starts on September 1, 2021.
- B. Throughout the Covid-19 pandemic, Portland Public School's decisions have been guided by public health and emergent science, and PPS will continue to follow public health guidelines.
- C. This spring PPS brought K-12 students back to the classroom in a hybrid educational model, with in-person learning opportunities for students and families who felt comfortable returning to the classroom, while retaining a robust comprehensive virtual learning option for those students and families choosing to remain in remote learning.
- D. The ability to reopen our schools safely was the result of months of work and preparation by staff to welcome back students and staff to our buildings as safely as possible, including implementing numerous health and safety, operational, and instructional practices and protocols, while adjusting to new information about Covid-19 and how it is spread.
- E. In addition, throughout the pandemic PPS educators have made extraordinary efforts to provide a high level of instruction during truly unprecedented circumstances. From quickly pivoting to online learning during spring 2020, to preparing and executing on a fully remote learning option, to re-engaging with our students in a hybrid model, PPS educators have shown their agility, professionalism, and deep commitment to our students.
- F. Given that many students will remain unvaccinated at the start of the 2021-22 school year, and that masking and social distancing may still be required by the Oregon Health Authority and Oregon Department of Education, it is likely that PPS will need to prepare for a variety of scenarios to achieve full-time, five days a week of in-person instruction.
- G. PPS buildings are, on average, 80 years old and often more limited in space, making it harder to implement all of the current Ready Schools Safe Learners (RSSL) guidelines. If certain safety measures are still in place this fall, PPS may need to look for creative ways to accommodate students who wish to return full-time including finding additional space or considering indoor/outdoor learning environments in order to return to five days a week of in-person instruction.

RESOLVED

- 1. The Portland Public School Board commits to partnering with the Superintendent to find the solutions that will allow for a return to full-time, five days a week in-person instruction starting the first day of the 2021-22 school year.
- 2. The PPS Board's top priority is to safely reopen, and understands that the district must also adhere to federal and state guidelines and take other appropriate steps to mitigate transmission of Covid-19 among teachers, staff, administrators, and students.
- 3. Given uncertainty around the prevalence of Covid-19 in late summer, the Board directs the Superintendent to develop a comprehensive plan for returning to in-person schooling that transitions all students back to full-time in-person learning in a safe and equitable manner. The Superintendent will regularly update the Board on the status of reopening, with the understanding that the State of Oregon may not issue official guidance until July 2021.
- 4. Regardless of the conditions for returning in the fall to in-person learning, the PPS Board directs the Superintendent to plan to provide a comprehensive virtual learning option for those students and families who are unwilling or unable to return to in-person learning for health reasons. The district

will provide a virtual learning option at least until Covid-19 vaccines are widely accessible to school-aged children.

5. To facilitate the accessibility and uptake of vaccines, especially in the most impacted communities of color, the PPS Board directs the Superintendent to continue working with the Oregon Health Authority, Multnomah County, Multnomah Education Service District, and our community partners to educate students and families about vaccine safety and to improve distribution systems, including the potential use of schools as vaccination sites.
6. Further, in recognition of the significant impact that educational disruptions have on student academic, social, and emotional well-being, the PPS Board encourages the Governor, Oregon Health Authority, and Oregon Department of Education to revise the Ready Schools Safe Learners (RSSL) guidelines as soon as possible to reflect the current state of knowledge about disease transmission; adjust to progress in vaccine uptake; and accommodate the complexity of planning and implementation in large, urban districts.

RESOLUTION No. 6317

Budget Committee Approval of the 2021-22 Budget and The Imposition of Property Taxes

RECITALS

- A. Oregon Local Budget Law, Oregon Revised Statute (ORS) 294.426, requires the Budget Committee of Portland Public Schools (District) to hold one or more meetings to receive the budget message and the budget document; and to provide members of the public with an opportunity to ask questions about and comment upon the budget document.
- B. On April 27, 2021, the Budget Committee received the Superintendent's budget message and Proposed Budget document for the fiscal year 2021-22.
- C. On May 4, 2021, the Board acting as the Budget Committee held a Budget Community Engagement meeting to discuss and receive public comment on the Proposed Budget.
- D. Oregon Budget Law, ORS 294.431, requires submission of the budget document to the Tax Supervising Commission (TSCC) by May 15 of each year. ORS 294.431 allows taxing jurisdictions to request an extension of the submission date.
- E. The District requested, and the TSCC authorized, extending the submission date to no later than May 25, 2021.
- F. The Board of Education (Board) appointed a Community Budget Review Committee (CBRC) to review the Proposed Budget and current year expenditures of the existing Local Option Levy. The CBRC acts in an advisory capacity to the Board.
- G. On May 11, 2021, the Budget Committee received testimony and a report on the current year Local Option Levy expenditures and testimony and recommendations from the CBRC.
- H. Oregon Local Budget Law, ORS 294.428 requires that each legal jurisdiction's Budget Committee approve a budget and specify the *ad valorem* property tax amount or rate for all funds.
- I. It is noted that \$0.5038 per \$1,000 of the assessed value of the Permanent Rate Tax Levy, (commonly known as the "Gap Tax") and, based on an analysis presented to the Board, the entirety of the Local Option Tax Rate Levy are excluded from State School Fund calculations.
- J. ORS 457.010(4)(a)(D) provides the opportunity for a school district to be excluded from the urban renewal division of tax calculations with a statutory rate limit on July 2003, which is greater than \$4.50 per \$1,000 of assessed value. To the extent that the rate limit was increased under section 11 (5)(d), Article XI of the Oregon Constitution, property tax revenue from said increase is excluded from local revenues. The District will notify the county assessors of the rate to be excluded for the current fiscal year not later than July 15.
- K. Portland Public Schools has a statutory rate limit that is in excess of the \$4.50 limitation that includes an increase under section 11 (5)(d), Article XI of the Oregon Constitution.

RESOLUTION

- 1. The Budget Committee approves the budget as summarized in Attachment "A".
- 2. The Budget Committee approves the budget for the fiscal year 2021-22 in the total amount of \$2,058,410,000.
- 3. The Budget Committee resolves that the District imposes the taxes provided for in the approved budget:
 - a. At the rate of \$5.2781 per \$1,000 of assessed value for operations;
 - b. At the rate of \$1.9900 per \$1,000 of assessed value for local option tax for operations;
 - c. In the amount of \$146,000,000 for exempt bonds

4. Taxes are hereby imposed and categorized as for the tax year 2021-22 upon the taxable assessed value of all taxable property in the District, as follows:

	Education Limitation	Excluded from Limitation
Permanent Rate Tax Levy	\$5.2781/\$1,000 of assessed valuation	
Local Option Rate tax Levy	\$1.9900/\$1,000 of assessed valuation	
Bonded Debt Levy		\$146,000,000

5. The Budget Committee further resolves that \$0.5038 per \$1,000 of taxable assessed value is excluded from the division of tax calculations, as the Permanent Rate Tax Levy attributable to the increase provided in section 11 (5)(d). Article XI of the Oregon Constitution (such increase is a result of the expiring Gap Tax Levy).
6. The Budget Committee directs submittal of this approved budget to the TSCC by May 25, 2021, in accordance with ORS 294.431, under the extension as granted by the TSCC.

Attachment "A"

**Portland Public Schools
Adjustments to the 2021-22 Proposed Budget
May 25, 2021**
(in thousands)

		<u>Proposed Budget</u>	<u>Adjustment</u>	<u>Recommended Approved Budget</u>
100 - General Funds				
Resources				
Beginning Fund Balance		\$ 73,909	\$ 10,936	\$ 84,845
Local Property and Other Taxes		293,823	\$ -	293,823
Local Option Taxes		104,279	\$ -	104,279
Other Local Sources		13,398	\$ 326	13,724
County and Intermediate Sources		13,762	\$ (1,000)	12,762
State School Fund		256,417	\$ -	256,417
State Common School Fund		5,048	\$ -	5,048
Federal and State Support		15	\$ -	15
Interfund Transfers		0	\$ -	0
Other		1,050	\$ -	1,050
Total		\$ 761,701	\$ 10,262	\$ 771,963
Requirements				
Instruction		385,422	1,200	386,622
Support Services		324,026	4,066	328,092
Enterprise and Community Svcs		2,393	600	2,993
Debt Service		1,223	-	1,223
Transfers of Funds		1,136	-	1,136
Contingency		47,500	4,396	51,896
Total		761,701	10,262	771,963
200 - Special Revenue Funds				
Resources				
Beginning Fund Balance		25,676	10,829	36,505
Property and Other Taxes		323	-	323
Other Revenue from Local Sources		22,338	-1,543	20,795
Intermediate Sources		-	-	-
State Sources		67,866	11,431	79,297
Federal Sources		170,042	-3,802	166,240
Interfund Transfers		-	-	-
All Other Resources		-	-	-
Total		286,245	16,916	303,161
Requirements				
Instruction		126,031	-4,687	121,344
Support Services		86,530	4,544	91,074
Enterprise and Community Svcs		43,673	10,380	54,053
Facilities Acquisition and Construction		69	-	69
Transfers of Funds		-	-	-
Contingency		4,912	-9	4,903
Unappropriated Ending Fund Balance		25,031	6,688	31,718
Total		286,245	16,916	303,161

Portland Public Schools
Adjustments to the 2021-22 Proposed Budget
May 25, 2021
(in thousands)

				Proposed Budget	Adjustment	Recommended Approved Budget
300 - Debt Service Funds						
Resources						
	Beginning Fund Balance			10,228		10,228
	Property and Other Taxes			138,667		138,667
	Other Revenue from Local Sources			60,284		60,284
	Federal Sources			30		30
	Interfund Transfers			1,754		1,754
	Total			210,963	-	210,963
Requirements						
	Debt Service			200,309		200,309
	Unappropriated Ending Fund Balance			10,654		10,654
	Total			210,963	-	210,963
400 - Capital Projects Funds						
Resources						
	Beginning Fund Balance			748,636	1,153	749,789
	Other Revenue from Local Sources			7,425		7,425
	Intermediate Sources			-		-
	State Sources			6,544		6,544
	Interfund Transfers			-		-
	All Other Resources			-		-
	Total			762,605	1,153	763,758
Requirements						
	Instruction			-	-	-
	Support Services			660	1,653	2,313
	Facilities Acquisition and Construction			438,057	-40	438,017
	Transfers of Funds			618	-	618
	Contingency			-	-	-
	Unappropriated Ending Fund Balance			323,270	-460	322,810
	Total			762,605	1,153	763,758
600 - Internal Service Funds						
Resources						
	Beginning Fund Balance			5,858	-	5,858
	Other Revenue from Local Sources			2,594	13	2,607
	State Sources			100	-	100
	Total			8,552	13	8,565
Requirements						
	Support Services			3,778	-	3,778
	Contingency			4,774	13	4,787
	Unappropriated Ending Fund Balance			-	-	-
	Total			8,552	13	8,565
All Funds Total				2,030,065	28,345	2,058,410

Portland Public Schools
Adjustments to the 2021-22 Proposed Budget
May 25, 2021
(in thousands)

Proposed Resources:	<u>General Funds (100)</u>	<u>Special Revenue Funds (200)</u>	<u>All Other Funds</u>	<u>Total Funds</u>
	\$ 761,701	\$ 286,245	\$ 982,119	\$ 2,030,065
Adjustments:				
1. Increase in General Fund Beginning Fund Balance - based on 3rd Quarter financial projections through June 30, 2021.	10,936			10,936
2. Increase in Fees charged to Grants - due to adjustments in Special Revenue Fund	326			326
3. Decrease in Multnomah Education Service District (MESD) Transit Revenue - alignment with April submission	-1,000			-1,000
4. Increase in Special Revenue Fund Beginning Fund Balances - based on 3rd Quarter financial projections through June 30, 2021.		10,829		10,829
5. Decrease in Special Revenue Fund Other Local Resources - based on 3rd Quarter financial projections through June 30, 2021.		-1,543		-1,543
6. Increase in Special Revenue Fund State Sources - due to new Summer Learning Grant resources and M98 carryover estimates through June 30, 2021.		11,431		11,431
7. Decrease in Special Revenue Fund due to Elementary and Secondary School Emergency Relief Funds (ESSER I) - align resources with spending plan through June 30, 2021.		-3,802		-3,802
8. Increase in Capital Projects Fund Beginning Fund Balance - based on 3rd Quarter financial projections through June 30, 2021.			1,153	1,153
9. Increase in Internal Service Funds Other Revenue from Local Sources - based on small staffing adjustments that impact workers compensation calculations.			13	13
Total Resource Changes	10,262	16,916	1,166	28,345
Recommended Approved Resource Budget	\$ 771,963	\$ 303,161	\$ 983,286	\$ 2,058,410

Portland Public Schools
Adjustments to the 2021-22 Proposed Budget
May 25, 2021
(in thousands)

Proposed Requirements:		General Funds (100)	Special Revenue Funds (200)	All Other Funds	Total Funds
		\$ 761,701	\$ 286,245	\$ 982,120	\$ 2,030,065
Adjustments:	Function				
1. Increase in General Fund Instruction due to planned purchases delayed due to the pandemic (instructional equipment, curriculum, professional development etc.) and to meet additional Instructional support needs due to the pandemic.	1000	1,200			1,200
2. Increase in General Fund Support Services due to Workshare settlement agreement, planned purchases delayed due to the pandemic (buses, technology, etc) and to address additional support needs due to the pandemic.	2000	4,066			4,066
3. Increase in General Fund Enterprise and Community Services to reflect planned strategic investments in our Racial Equity and Social Justice department.	3000	600			600
4. Increase in General Fund Contingency due to increased beginning fund balance and to support additional pandemic needs.	6000	4,396			4,396
5. Decrease in Special Revenue Fund Instruction to align with the planned strategic investments and spending plan through June 30, 2021 related to the Student Investment Account (SIA), ESSER I and ESSER II and new expenditures related to the Summer Learning Grant.	1000		-4,687		-4,687
6. Increase in Special Revenue Fund Support Services to align with the planned strategic investments related to SIA, ESSER II and ESSER III and new expenditures related to Summer Learning Grant.	2000		4,544		4,544
7. Increase in Special Revenue Fund Enterprise and Community Services to align with planned strategic investments in SIA, ESSER II and new expenditures related to Summer Learning Grant.	3000		10,380		10,380
8. Decrease in Special Revenue Fund Contingency due to alignment of ESSER I spending through June 30, 2021 and grant indirect that will be received in 2020.	6000		-9		-9
9. Increase in Special Revenue Fund Unappropriated Ending Fund Balance to align with Fund 299 spending plan for 2021-22.	7000		6,688		6,688
10. Increase in Capital Projects Fund to align with annual insurance expenditures and the Long Range Facilities planning work underway.	2000			1,653	1,653
11. Decrease in Capital Projects Fund Facilities Acquisition and Construction to align with planned expenditures for 2021-22.	4000			-40	-40
12. Decrease in Capital Projects Fund Unappropriated Ending Fund Balance to align with the 2021-22 spending plan and balance not needed for the year.	7000			-460	-460
13. Increase in Internal Service Fund Contingency to balance workers compensation calculation changes throughout the district.	6000			13	13
Total Requirement Changes		10,262	16,916	1,166	28,345
Recommended Approved Requirement Budget		\$ 771,963	\$ 303,161	\$ 983,286	\$ 2,058,410