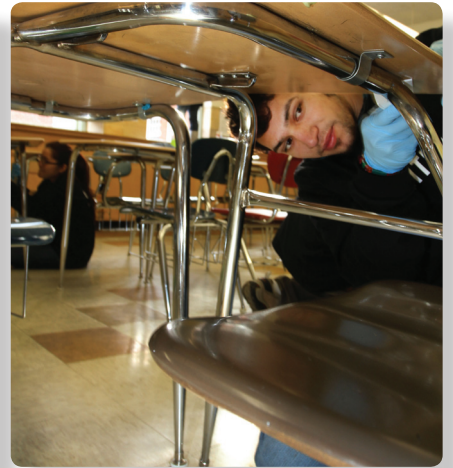


Portland Public Schools Board of Education



2011-2012

Agenda

Regular Meeting
January 23, 2012

BOARD OF EDUCATION

Portland Public Schools
Regular Meeting
January 23, 2012

Board Auditorium

Blanchard Education Service Center
501 North Dixon Street
Portland, Oregon 97227

Note: Those wishing to speak before the School Board should sign the citizen comment sheet prior to the start of the regular meeting. No additional speakers will be accepted after the sign-in sheet is removed, but citizens are welcome to sign up for the next meeting. While the School Board wants to hear from the public, comments must be limited to three minutes. All citizens must abide by the Board's Rules of Conduct for Board meetings.

Citizen comment related to an action item on the agenda will be heard immediately following staff presentation on that issue. Citizen comment on all other matters will be heard during the "Remaining Citizen Comment" time.

This meeting may be taped and televised by the media.

Background materials for this meeting may be found on the Board's website under "Public Notices".

AGENDA

1. **BOARD REPORT** 5:00 pm
2. **SUPERINTENDENT'S REPORT** 5:05 pm
3. **STUDENT TESTIMONY** 5:30 pm
4. **STUDENT REPRESENTATIVE'S REPORT** 5:45 pm
5. **CITIZEN COMMENT** 5:50 pm
6. **PARTNERSHIP RECOGNITION** 6:10 pm
7. **BREAK** 6:30 pm
8. **PORTLAND FEDERATION OF SCHOOL PROFESSIONALS
COLLECTIVE BARGAINING AGREEMENT** (action item) 6:50 pm
9. **ENROLLMENT BALANCING** (action item) 7:05 pm
10. **SECOND READING: CAPITAL ASSET RENEWAL POLICY**
(action item) 7:30 pm
11. **BOARD CONVENES AS BUDGET COMMITTEE** 7:40 pm
Amendment No. 2 to 2011-2012 Budget (action item)
12. **BUSINESS AGENDA** 8:00 pm
13. **REMAINING CITIZEN COMMENT** 8:15 pm

14. **REVIEW OF BOARD MEETING STRUCTURE** 8:30 pm
15. **ADJOURN** 9:00 pm

The next meeting of the Board will be a Work Session held on **February 6, 2012**, at 5:00pm in the Windows Conference Room at the Blanchard Education Service Center.

Portland Public Schools Nondiscrimination Statement

Portland Public Schools recognizes the diversity and worth of all individuals and groups and their roles in society. All individuals and groups shall be treated with fairness in all activities, programs and operations, without regard to age, color, creed, disability, marital status, national origin, race, religion, sex, or sexual orientation.

Board of Education Policy 1.80.020-P



PORTLAND PUBLIC SCHOOLS

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SUPERINTENDENT'S RECOMMENDATION TO THE BOARD AND STAFF REPORT

TITLE: 2011 -2013 AGREEMENT BETWEEN PPS AND PFSP

Board Committee Meeting Date: N/A

District Priority: N/A

Board Meeting Date: January 23, 2012

Executive Committee Lead: Exec. Dir. HR

Department: Human Resources

Staff Lead: Brock Logan

I. ISSUE STATEMENT

The Board is being asked to ratify and authorize the execution of a 2011 – 2013 Agreement between the District and the Portland Federation of School Professionals (PFSP), the union representing the majority of classified employees in the District (formerly the Portland Federation of Teachers and Classified Employees, PFTCE.)

II. BACKGROUND

The District and the Federation reached a tentative agreement on January 5, 2012. The union membership ratified the proposed Agreement on January 11, 2012.

III. RELATED POLICIES/BEST PRACTICES

N/A

IV. FISCAL IMPACT

The tentative agreement includes no COLAs and no step increases in either year of the two year Agreement.

The Agreement provides for an increase in the District's cap on health care premiums of \$50 per employee per month on October 1st of each year. This results in an annual increase in expenditures of approximately \$500,000, and was included in the 2011 – 2012 budget assumptions.

V. COMMUNITY ENGAGEMENT

The proposed Agreement is the result of negotiations with representatives of the PFSP.

VI. BOARD OPTIONS

The Board may adopt the resolution, ratifying the tentative agreement, or may decline to adopt the resolution, sending the parties back to the bargaining table to negotiate a different settlement.

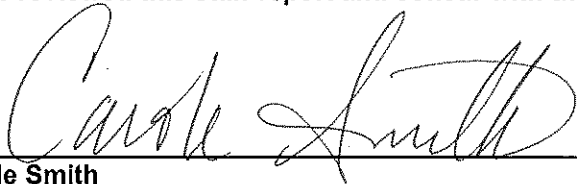
VII. STAFF RECOMMENDATION

Brock Logan, Director of Labor Relations recommends that the Board adopt the resolution authorizing the execution the tentative agreement.

VIII. TIMELINE FOR IMPLEMENTATION/EVALUATION

The Agreement will be effective upon ratification of the Board.

I have reviewed this staff report and concur with the recommendation to the Board.



**Carole Smith
Superintendent
Portland Public Schools**

1.19.2012

Date

SUMMARY OF SUBSTANTIVE CHANGES

AGREEMENT between PPS and PFSP 2011 – 2013

Article 4	Requirement that District notify the Federation when it creates new classifications is clarified
Article 10	Procedures regarding supervisor working files are clarified; Federation's right to access member personnel files relative to the performance of its duties as exclusive bargaining representative is acknowledged
Article 13	Classification review committee roles and procedures are clarified
Article 14	Career development funds are consolidated, procedures are streamlined and clarified
Article 18	Employee due process rights regarding third party complaints are clarified
Article 20	Grievance process is streamlined
Article 21	Maximum allowable voluntary contribution to sick leave bank is increased from 400 to 1500 hours and the District contribution is eliminated
Article 22	Vacation accrual table for 260 day employees is increased to equal the accrual rates of non-represented employees
Article 23	Contribution cap on District contribution toward health insurance premiums is increased by \$50 per member per month in each year of the Agreement; workers' compensation language is clarified
Article 24	Reimbursement caps for loss of personal property due to assault or forced entry are increased from \$400 to \$500; deductible reimbursement limit for on-duty accidents, when personal vehicle usage is required, is increased from \$250 to \$500
Article 25	Bus rider stipend is changed from \$0.56 per hour to \$2.00 per day
Article 27	Placement in medically fragile classrooms or in support of 504 students is designated a voluntary assignment
Article 29	Agreement is effective July 1, 2011 through June 30, 2013
Appendix A	High School Site Technology Specialist is added as a represented classification; pay grade L (applicable to High School Site Technology Specialist) is added to the pay scale
Appendix 1	Appendices 1 (Community Agents) and 2 (Campus Monitors) are consolidated



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SUPERINTENDENT'S RECOMMENDATION TO THE BOARD AND STAFF REPORT

TITLE: 2011-12 BOUNDARY CHANGE AND GRADE RECONFIGURATION STAFF REPORT

Board Committee Meeting Date:

District Priority: 6 & 8

Board Meeting Date: January 23, 2012

Executive Committee Lead: Carla
Randall/Zeke Smith

Department: Office of Schools/Enrollment & Transfer

Staff Lead: Karl Logan/Judy Brennan

I. ISSUE STATEMENT

(Use this section to briefly explain the subject—2-3 sentences)

Each year Portland Public Schools follows an enrollment data analysis process to identify schools outside of district target-size ranges. The priority schools for change this year all had enrollment change procedures that began last year. After considering numerous options to balance enrollment between these schools and consulting with stakeholders, staff supports a set of interrelated boundary and grade configuration changes to begin in September 2012.

II. BACKGROUND

(Include information related to the history of the item and any relevant timing issues)

Enrollment balancing is a multi-year initiative to improve access to rigorous programs as well as to increase resource efficiency. Enrollment at about a third of schools at the K-5, K-8 or middle school level is either below program targets or above student capacity. The set of schools subject to change through this process is relatively small this year, with further activity expected in other quadrants of PPS in subsequent years.

Two major enrollment change processes began for schools in Northeast Portland last year:

- The Boundary Advisory Committee (BAC) process for Alameda, Beaumont, Sabin and ACCESS schools ran from November 2010-January 2011, convening a committee of parents from each school, as well as related neighborhood associations, to consider possible adjustments to provide enrollment relief for Alameda, reduce dependency on transfers at Beaumont, and increase and stabilize student population at Sabin while resolving location issues for ACCESS. The committee met several times and hosted a public forum to deliberate on options. It then selected a plan that prioritized a boundary change area between Alameda and Sabin and recommended a transfer preference for Grant cluster students to Beaumont and for Alameda students to Sabin. The process was criticized for moving too quickly with too little quality data and too small a group of key stakeholders. Superintendent Smith chose to temporarily halt the process until community concerns could be addressed, enacting only the Alameda to Sabin priority.
- Rigler School has experienced crowding for several years because of neighborhood growth and grade-level expansion of the neighborhood and Spanish immersion programs. Rigler would have been rebuilt as a larger school had the Capital Bond Plan passed last May. When the Bond did not pass, district and school staff conducted a rapid process to identify options to relieve overcrowding. After a brief period of outreach to Rigler and Vernon families, grades 7 and 8 shifted from Rigler to Vernon for a two-year period, until a full process could produce a more permanent solution.

These two previous processes were merged this fall and considered in light of new school size targets. A new community engagement protocol has been used to guide interaction between district staff and school staff, parents, students and community members. Staff attended more than 20 meetings across 10 Northeast Portland schools to share information and gather enrollment-related ideas, concerns and questions before releasing a set of enrollment balancing options that directly impact six of those schools: Alameda, Beaumont, Irvington, Rigler, Sabin and Vernon.

Throughout the process, community members were also eager to discuss district-wide program issues, including the parity and equity of middle-grade programs in K-8 and middle schools, the status and future of special programs such as immersion, International Baccalaureate and ACCESS, and the purpose and effectiveness of the lottery transfer system. While these issues may not all be resolved through enrollment balancing work, dialogue around them is expected to continue in the coming year and to expand to include additional stakeholders.

III. **RELATED POLICIES/BEST PRACTICES**

(Explain how the item relates to the District's policies. Also describe any best practice research used to lead staff to their recommendation)

The process for completing an annual enrollment data analysis and conducting boundary changes, including implementation procedures, is defined in Policy 4.10.051-P, Student Enrollment & Transfer and Administrative Directive 4.10.054-AD, Student Transfers

Additional Board actions for specific schools:

- Resolution x3497A (May 4, 2006): Expansion of Sabin Elementary to a K-8 School
- Resolution 4406: Temporary Relief Measure for Alameda
- Resolution xxxx: Rigler

IV. **FISCAL IMPACT**

(Use this section to outline the financial implications of the action requested.)

No facility impacts are anticipated as a result of changes outlined in this plan. Current transportation routes for Rigler students, including two routes that serve Vernon, are expected to be sufficient for transportation needs to Beaumont, with the exception of next year when a bus will still be needed to support Rigler 8th graders attending Vernon.

Above-formula staff allocations are likely at Vernon next year to stabilize that program as Rigler students phase out.

Additional fiscal impacts based on enrollment changes will be addressed through the staffing and budget process, and based on 2012 staffing ratios.

V. **COMMUNITY ENGAGEMENT**

(Review of all stakeholders, including students and union partners, involved in the development of the proposed policy or resolution)

Enrollment balancing utilized a new school district protocol for community engagement this fall. Regional Administrator Karl Logan and Enrollment and Transfer Director Judy Brennan led more than two dozen meetings on this topic at 10 schools and involving several community-partner organizations. The meetings ranged from small group sessions convened by a community partner and conducted in Spanish, to meetings with each of the potentially affected school communities, to large community forums with more than 150 attendees. Parents and principals also helped design, lead and facilitate school-based meetings.

A website on the district's main page provided access to detailed enrollment data, proposed enrollment balancing options, maps and other information. Staff also provided direct information to families and community members through: postcards mailed to all residents in potential boundary change areas; autodialer messages, family advisories and information tables at schools; outreach to neighborhood associations and other community partners; and media advisories, news releases and articles in PPS print and electronic publications.

A complete engagement plan is attached to this document. Notebooks with transcripts and summaries of community meetings, as well as e-mails and letters submitted by community members, are available in the Board office.

VI. BOARD OPTIONS

(What action is requested? Outline options and acknowledge other perspectives. Financial costs associated with specific options should be included if relevant.)

Based on current and forecast enrollment data and feedback received from staff and community members, the following scenarios were proposed to balance enrollment between schools:

- Boundary changes from the western edge of the Alameda/Beaumont attendance area to Irvington and Sabin schools.
- Conversion of Rigler or Sabin to K-5 schools, with middle-grade students assigned to either Beaumont MS or Vernon PK-8 (only in the case of Rigler).
- Addition of a feeder school to Beaumont, either Rigler or Sabin.

Staff also considered numerous other options, including boundary changes to allow Rigler to continue as a K-8 school and shifting areas of the Alameda boundary to the north or east, instead of to the west. The attached chart shows staff's assessment of these options when weighed against the minimal factors for consideration outlined in Policy 4.10.045-P and Administrative Directive 4.10.049-AD.

Programmatic features associated with the options include the continuation of Spanish Immersion from Rigler to either Beaumont or Vernon, additional supports to Vernon to maintain programs if Rigler students are phased out and the future of the Sabin Middle Years IB program should that school convert to a K-5 and feed to Beaumont. As community members and staff from several schools requested that 6th grade slots be better controlled through the annual lottery, that topic was handed to the Superintendent's Advisory Committee on Enrollment and Transfer (SACET) for consideration and recommendation.

Community feedback was collected on the staff proposals at information tables set up at each affected school during parent-teacher conferences, and at three community forums held in late November-early December. Notice of the plans was communicated through fliers home to parents, postcards to households in the Alameda boundary change area, as well as the District website, PPS Pulse, social media site and information releases to media and community partner organizations.

In summary:

- While Rigler parents were reluctant to end the K-8 program at their school, they overwhelmingly supported Beaumont as the location for their middle-grade students, citing proximity, program variety and the equalizing factor of all students being new at 6th grade in a middle school.
- Sabin families spoke in support of remaining a PK-8 school and offering an IB program through 8th grade, while raising concern about the impact on the ACCESS program.
- Many responses from Alameda families were neutral, with acknowledgement that change is necessary. Residents from the east end of the boundary were grateful that their students were not affected by change, whereas families from the proposed boundary change area were unhappy that their homes would no longer be assigned to Alameda, which is closer for some than Irvington or Sabin. A number of families requested that current Alameda students in the boundary change area be allowed to continue on to Beaumont with their cohort.
- The Alameda Neighborhood Association requested that the area east of the Alameda boundary be moved instead of the west end, that current Alameda students who do not live in the boundary be returned to their neighborhood school to speed the rate of change at Alameda, and that current Alameda students affected by change be assured a place at Beaumont and Grant.
- The King School PTA raised the concern that the current process did not take into consideration a broad enough group of schools, and that a boundary change between Sabin and King is needed to increase enrollment at King.
- SACET is interested in pursuing the middle-grade transfer limit issue, but suggested that there is not sufficient time to respond to this matter and engage stakeholders before the start of the coming transfer cycle.

VII. STAFF RECOMMENDATION

(Convey the specific recommendation on any and all of the options listed or overall recommendation regarding the item.)

No single set of changes meets all criteria, and all options bring some level of change and loss to the affected schools. Staff supports the following enrollment changes:

- **Boundary changes from the western edge of the Alameda/Beaumont attendance area to Irvington and Sabin schools.**
- **Conversion of Rigler to a K-5 school, with middle-grade students assigned to Beaumont MS.**
- **Above-formula supports at Vernon next year, to ease the phase-out of Rigler students.**

Staff feels that this set of changes will provide relief to overcrowded schools (Alameda and Rigler), and best use available space at under-enrolled schools (Sabin and Beaumont), without limiting the district's ability to make other changes as warranted to balance enrollment at other nearby schools in the future. Estimated enrollment at all six schools moves closer to district enrollment targets with these proposed changes. Further, by adding Rigler as a feeder school, Beaumont will increase its diversity while reducing dependence on transfers, which should strengthen programs at other North and Northeast schools serving middle grades.

For the most part, homes in the Alameda boundary change zone are several blocks closer to Alameda than to Sabin or Irvington. However, there is space at those schools to easily absorb additional students without causing feeder pattern changes or impacting additional enrollment balancing efforts that are needed in other schools. Therefore, staff recommends that the west edge of Alameda change at this time. Additional shifts to other parts of the Alameda boundary may be considered in future years if needed to manage unanticipated growth.

The proposed changes would cause a split middle-school feeder pattern, as Rigler students would continue on to Madison after Beaumont, while Alameda students are assigned to Grant. When considering student stability, this plan appears to offer a stable assignment plan, particularly for Rigler middle-grade students. As a result of closures and reconfigurations over the past 12 years, students in the Rigler boundary have had eight different middle grade assignments. Stability for these students was one of the most compelling criteria for staff during this process.

VIII. TIMELINE FOR IMPLEMENTATION/EVALUATION

(What is the timeline? How will progress be measured?)

Proposed changes would begin in September 2012 as follows, in accordance with Board Policy 4.10.045-P and Administrative Directive 4.10.049-AD:

- Boundary change from Alameda to Irvington and Sabin: Kindergartners and new students at other grades would attend the new neighborhood school. Current students from the boundary change area who are attending Alameda now may remain through 5th grade, and, their younger brothers and sisters have a guarantee to co-enroll with them at Alameda.
- Boundary change from Rigler to Beaumont: Current 5th and 6th grade students at Rigler would be assigned to Beaumont, including students in the Spanish Immersion program. Current 7th grade students who moved from Rigler to Vernon this year have the right to complete the 8th grade at Vernon. However, in recognition that this could result in some families with students split between three schools, individual contact will be made with the 7th graders and, where possible, changes to different schools either for these students or for their younger siblings will be honored.

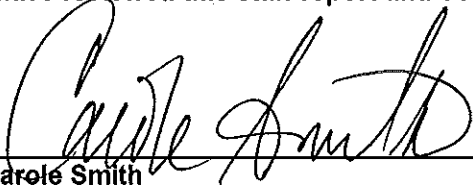
To minimize the negative impact of additional transitions, staff supports the community request to allow all current Rigler students to continue together on to Beaumont for grades 6-8. Additionally, all Alameda students residing in the boundary change area should be allowed to continue on to Beaumont for middle school. This modification from existing Board policy will allow students who expected to be together through 8th grade to do so, and will ease the rate of transition at Sabin, which will have very limited space until ACCESS is relocated.

We acknowledge that this measure adds yet another layer of exemptions from the proposed boundary change, which slows the pace of change and requires additional attention for years to come. We support the request of several School Board members to review our boundary change policy and make adjustments as necessary to ensure a clear, fair and consistent approach to implementation. In the absence of that additional guidance, however, we support maintaining K-8 consistency, especially for non-neighborhood Rigler students who have been affected by overcrowding and change at that school over the years, and should not be excluded from moving to Beaumont with their cohort.

If approved, staff and community members across all affected schools will begin planning for, among other needs:

- The smooth transition of students and teachers.
- The development and implementation of a Spanish Immersion program at Beaumont.
- Supports as needed to maintain program stability at Vernon throughout the phase-out of Rigler students.
- A timeline and location plan for ACCESS to move from Sabin to a larger space.
- Consideration of additional supports at affected schools as identified by an implementation team.

I have reviewed this staff report and concur with the recommendation to the Board.



Carole Smith
Superintendent
Portland Public Schools

12.18.2011

Date

ATTACHMENTS

(List all supporting documentation, including resolution, etc.)

- A. Boundary map
- B. Enrollment change worksheet
- C. Analysis of factors for consideration

PPS District Priorities FY 2011-12

1. Improve Milestone outcomes
2. Successful implementation of High School System Design
3. Improve English Language Learners and Special Education Services
4. Increase cultural competence and diversity of staff
5. Build shared leadership and accountability for results
6. Measure and report on effectiveness of schools and programs
7. Design and implement Capital Improvement Plan
8. Deepen community and student engagement



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SUPERINTENDENT'S RECOMMENDATION TO THE BOARD AND STAFF REPORT

TITLE: MIDDLE SCHOOL GUARANTEES STAFF REPORT

Board Committee Meeting Date: N/A

District Priority: 6 and 8

Board Meeting Date: January 23, 2012

Executive Committee Lead: Zeke Smith/
Carla Randall

Department: Office of Schools/Enrollment & Transfer

Staff Lead: Karl Logan/Sascha Perrins/Judy
Brennan

I. ISSUE STATEMENT

(Use this section to briefly explain the subject—2-3 sentences)

During the 2005-06 school year, the School Board provided guarantees for Skyline students to attend West Sylvan Middle School and Sabin students to attend Beaumont Middle School as part of the K-8 school conversions. The guarantees included transportation to the middle schools, and were subject to review in 2011. This fall, staff has analyzed the impacts of the guarantees, and gathered input from staff, parents and community members in the Sabin and Skyline communities.

II. BACKGROUND

(Include information related to the history of the item and any relevant timing issues)

The middle school guarantees began fully in the 2007-08 school year. Students interested in transferring to their guaranteed middle school have completed an on-time school choice application during the standard transfer cycle, and were approved to the middle schools without filling a lottery slot. Students have been provided transportation from stops near their homes to and from their middle schools.

Staff measured the effects of the guarantees by looking at the number of transfers, the performance of students who remained at a K-8 or transferred to a guaranteed middle school, the estimated transportation cost and the estimated staff impact related to the transfers. We also gathered community feedback through numerous meetings and e-mails received from Sabin over the past year, and from Skyline through this fall.

Details of our analyses are attached to this document. In summary:

- The guarantees resulted in an average of 38 Skyline students per year attending grades 6-8 at West Sylvan, while 22 Sabin students on average attended Beaumont.
- Test scores for a cohort of students who were at Skyline or Sabin in 5th grade and then attended either West Sylvan or Beaumont through the guarantee did not provide clear evidence that either model resulted in more students meeting or exceeding benchmarks.
- Total estimated transportation cost over the five-year period was \$1,650,000, 70% of which (\$1,155,000) was reimbursed by the State of Oregon. Of the net PPS costs (\$495,000), 85% was allocated toward Skyline buses because of the higher number of students participating in that guarantee and the low density and large size of that neighborhood.
- Had the guarantee not been in place, it is estimated that enough additional students would have attended Skyline and Sabin to warrant on average .8 FTE annually at each school.

Feedback from community members has been mixed. Some strongly support ending the guarantee (particularly Sabin parents seeking support for their K-8 program) and others advocate

for the guarantee to continue, as it provides access to a program they believe best serves their students.

III. RELATED POLICIES/BEST PRACTICES

(Explain how the item relates to the District's policies. Also describe any best practice research used to lead staff to their recommendation)

Resolution 3403 (December 12, 2005): Expansion of Skyline Elementary to a K-8 School
Resolution x3497A (May 4, 2006): Expansion of Sabin Elementary to a K-8 School
Policy 4.10.051-P, Student Enrollment & Transfer
Administrative Directive 4.10.054-AD, Student Transfers

IV. FISCAL IMPACT

(Use this section to outline the financial implications of the action requested.)

Total transportation funds related to the guarantee are estimated at \$330,000 per year, with the net PPS portion \$99,000 per year.

Modifying transportation from Skyline to West Sylvan would reduce that cost by about \$24,750 each year until phased out, while ending transportation procedures for Sabin would reduce costs by an additional \$16,500.

Differences in student enrollment are expected to be cost neutral, as more FTE needed at one school is expected to mean fewer FTE needed elsewhere. Staff will be determined through the annual staffing and budget procedures.

V. COMMUNITY ENGAGEMENT

(Review of all stakeholders, including students and union partners, involved in the development of the proposed policy or resolution)

Feedback has been gathered through public meetings at both schools, and through e-mails sent in from stakeholders. Outreach occurred through news advisories and fact sheets (distributed to media, Northeast Coalition of Neighborhoods, Central Northeast Neighborhoods, pre-K providers), PPS Pulse e-newsletter, PPS web site and social media; sabinparents.org website, school auto-dialers, meeting fliers and parent-to-parent efforts.

Discussion of this issue began in the Sabin community as part of the Boundary Advisory Committee (BAC) process that occurred last school year, and was picked up again this fall. In addition to announced community meetings, district staff met numerous times with Sabin Site Council, and attended a Principal's Coffee in November.

District staff attended a PTA meeting at Skyline November 1, and held a separate community meeting there December 1.

VI. BOARD OPTIONS

(What action is requested? Outline options and acknowledge other perspectives. Financial costs associated with specific options should be included if relevant.)

Based on the data and feedback available, staff has focused on the following two ways to proceed:

1. Continue with reduced transportation: Allow the transfer guarantee mechanism to continue, but reduce transportation down to centralized stops for Skyline and eliminate transportation completely for Sabin, trimming transportation costs by two-thirds.
2. End the guarantee, and phase-out transportation: Skyline and Sabin students would have equal transfer rights into West Sylvan and Beaumont as other non-neighborhood students, including sibling preference. Transportation would be phased out to provide educational

stability for current students, possibly with the conversion to centralized stops for Skyline students.

VII. STAFF RECOMMENDATION

(Convey the specific recommendation on any and all of the options listed or overall recommendation regarding the item.)

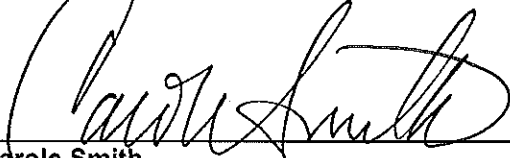
Because of the high cost of maintaining transportation and the goal of stabilizing enrollment at small K-8 schools, staff recommends that a middle school guarantee no longer be available for Sabin and Skyline students. We recommend that transportation be phased out for Skyline students, utilizing the most efficient centralized routing system possible, and be eliminated for Sabin students beginning in September 2012.

VIII. TIMELINE FOR IMPLEMENTATION/EVALUATION

(What is the timeline? How will progress be measured?)

Phase out of the guarantee, including changes in transportation, would begin for the coming transfer cycle and 2012-13 school year. Families would be notified of the change prior to the start of the coming transfer cycle. Lottery transfer remains an option for Sabin and Skyline options, but within the slots available and under the same policies as other PPS applicants. Slots at Beaumont and West Sylvan will be set in accordance with guidelines other PPS middle schools.

I have reviewed this staff report and concur with the recommendation to the Board.



Carole Smith
Superintendent
Portland Public Schools



Date

ATTACHMENTS

(List all supporting documentation, including resolution, etc.)

- A.K-8 to Middle Schools transfer guarantees report
- B.
- C.

PPS District Priorities FY 2011-12

1. Improve Milestone outcomes
2. Successful implementation of High School System Design
3. Improve English Language Learners and Special Education Services
4. Increase cultural competence and diversity of staff
5. Build shared leadership and accountability for results
6. Measure and report on effectiveness of schools and programs
7. Design and implement Capital Improvement Plan
8. Deepen community and student engagement

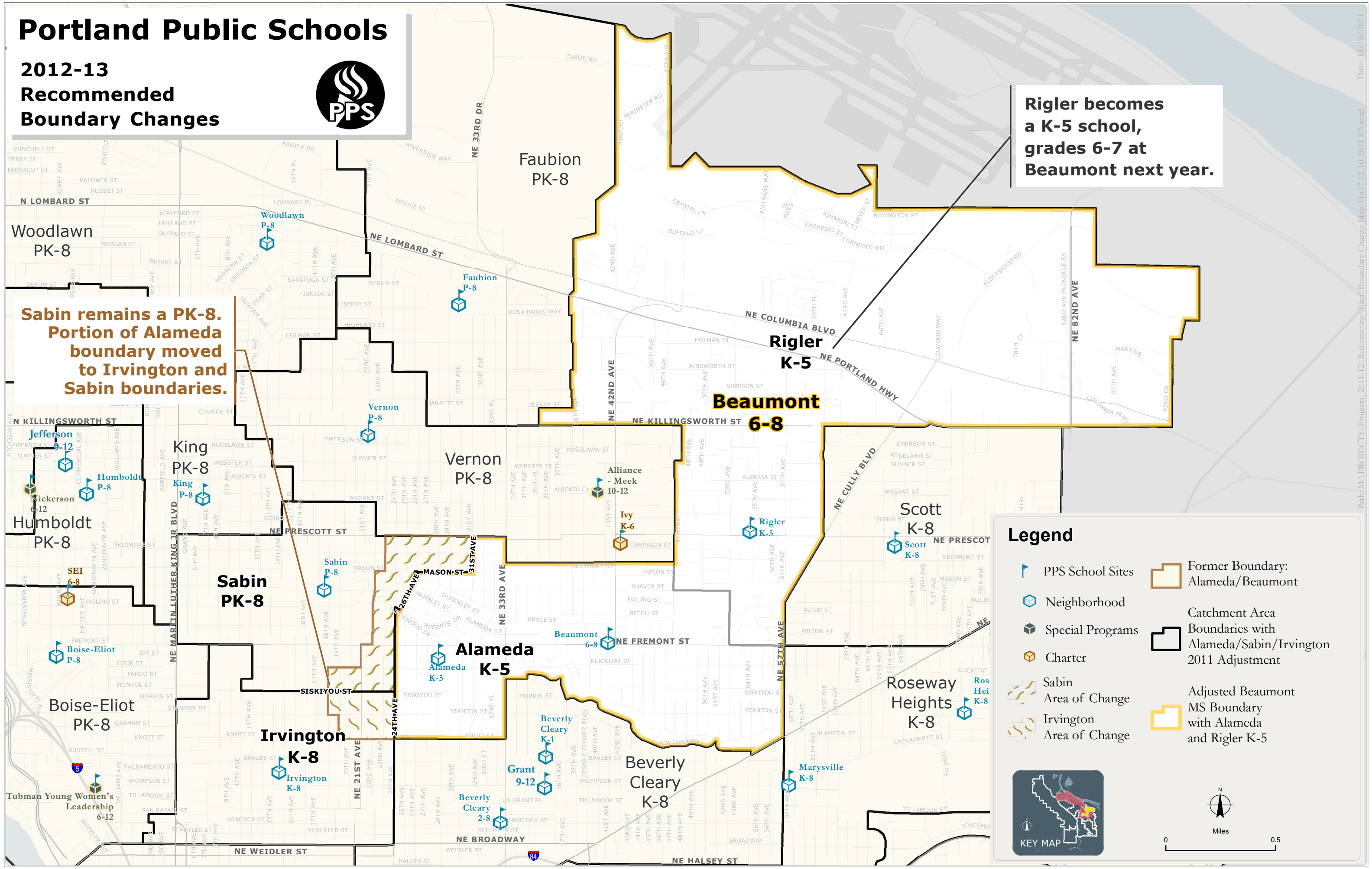
Portland Public Schools

2012-13 Recommended Boundary Changes



Rigler becomes a K-5 school, grades 6-7 at Beaumont next year.

Sabin remains a PK-8. Portion of Alameda boundary moved to Irvington and Sabin boundaries.



Legend

- PPS School Sites
- Neighborhood
- Special Programs
- Charter
- Sabin Area of Change
- Irvington Area of Change
- Former Boundary: Alameda/Beaumont
- Catchment Area Boundaries with Alameda/Sabin/Irvington 2011 Adjustment
- Adjusted Beaumont MS Boundary with Alameda and Rigler K-5

Northeast Boundary Change Options: Analysis of Factors for Consideration

		Factors specified in Policy 4.10.045-P, Student Assignment to Neighborhood Schools		
Boundary change option	In Supt's Recommendation?	Stable feeder pattern: Allow as many students as possible to move together to next school level; preferably feed one-two high schools.	Diversity: Aim to reflect district-wide diversity in language, culture and SES; consider different learning needs	Compact boundaries: Limit walking & biking barriers; keep neighborhoods together; minimize transport time/distance
West edge of Alameda to Sabin	Yes	Meets: Sabin feeds Grant	Partially meets: Does not increase diversity at Alameda or Sabin, but ensures SPED population remains at Alameda	Does not meet: Sabin is further walking distance; more student crossing Fremont; not aligned with neigh assn boundary
West edge of Alameda to Irvington	Yes	Meets: Irvington feeds Grant	Partially meets: Does not increase diversity at Alameda or Irvington, but ensures SPED population remains at Alameda	Partially meets: Irvington slightly further walking distance; aligned with neigh assn. boundary
East edge of Alameda to Roseway Heights	No	Does not meet: Roseway Heights feeds Madison	Partially meets: Does not increase diversity at Alameda or Roseway Heights and ensures SPED population remains at Alameda	Does not meet: Adds students outside of 1 mile walk zone; crosses Sandy & 57th.
South edge of Alameda to Beverly Cleary	No	Meets: Beverly Cleary feeds Grant	Partially meets: Does not increase diversity at Alameda or Beverly Cleary; ensures SPED population remains at Alameda; potential overcrowding at Beverly Cleary may impact space for SPED program there	Partially meets: Beverly Cleary slightly further walking distance; not aligned with neigh assn boundary
North edge of Alameda to Vernon	No	Does not meet: Vernon feeds Jefferson/Madison	Partially meets: Does not increase diversity at Alameda; but adds white students to Vernon and ensures SPED population remains at Alameda	Does not meet: Further walking distance; students crossing Prescott & Alberta; not aligned with neigh assn boundary
Northwest portion of Rigler K-8 to Vernon & Faubion	No	Meets: Vernon & Faubion feed Jefferson /Madison	Partially meets: Likely to increase poverty rate at Faubion & Vernon	Does not meet: Adds students outside of 1 mile walk zone; crosses 42nd; not aligned with neigh assn boundary

Northeast Boundary Change Options: Analysis of Factors for Consideration

Southeast portion of Rigler to Scott	No	Meets: Scott feeds Madison	Partially meets: Likely to increase poverty rate at Scott, reduce poverty rate at Rigler	Partially meets: Neutral change for Rigler students, but requires Scott students to move to further school; not aligned with neigh assn boundary
All of Rigler 6-8 to Beaumont	Yes	Partially meets: Splits Beaumont to Grant and Madison	Partially meets: Increases baseline poverty rate at Beaumont, keeps space for SPED classrooms, no change for Rigler	Partially meets: Adds a small number or students to non-walk zone
All of Rigler 6-8 to Vernon	No	Meets: Vernon feeds Jefferson /Madison	Does not meet: No change for Rigler or Vernon	Does not meet: Adds students outside of 1 mile walk zone; crosses 42nd; not aligned with neigh assn boundary
All of Sabin 6-8 to Beaumont	No	Meets: Sabin feeds Grant	Does not meet: Less diversity at Beaumont, no change at Sabin	Does not meet: Adds current walkers to Beaumont bus zone

Northwest Boundary Change Options: Analysis of Factors for Consideration

s, and Administrative Directive 4.10.049-AD, Student Assignment Review & School Boundary Changes		
Optimal facility use: Minimize building changes; conserve resources; right-size enrollment to program needs	Enrollment stability: Set boundaries that don't require frequent change; consider program impacts nearby	Limit student impact: Move the smallest number of students possible; avoid sequential changes to same students; avoid making small group feeder splits
Meets: Relieves overcrowding while adding students to a small school	Partially meets: May not provide enough relief to Alameda	Meets
Partially meets: Relieves overcrowding but Irvington may see space constraints in the future	Partially meets: May result in future overcrowding at Irvington; may not provide enough relief to Alameda	Meets
Partially meets: Relieves overcrowding, but eliminates space to relieve Scott and other crowded schools	Partially meets: Does not allow for other needed changes in area	Partially meets: causes small group split HS feeder
Does not meet: Beverly Cleary has no space for additional lower-grade students	Does not meet: Requires other changes	Does not meet: Requires other changes
Partially meets: Relieves overcrowding, but may cause over-enrollment at Vernon over time	Partially meets: Does not allow for other needed changes in area; may result in future overcrowding	Partially meets: causes small group split HS feeder
Does not meet: Beverly Cleary has no space for additional lower-grade students	Does not meet: Requires other changes	Does not meet: Requires other changes

Northeast Boundary Change Options: Analysis of Factors for Consideration

Does not meet: Scott does not have space for more students without making additional shifts to other schools	Does not meet: Requires other changes	Does not meet: Requires other changes
Meets: Relieves overcrowding while adding students to a small school	Meets: Additional changes not needed, stabilizes 6-8 programs in nearby K-8 schools	Meets
Partially meets: Relieves overcrowding, but may cause over-enrollment at Vernon over time	Partially meets: Does not allow for other needed changes in area; may result in future overcrowding	Meets
Partially meets: Sabin would be a small PK-5 school	Partially meets; boundary stable, but IB program in question	Meets

**Comparison of OAKS Results for Transfer Guarantees and Other Students:
Sabin to Beaumont vs. Sabin to Sabin
Skyline to West Sylvan vs. Skyline to Skyline**

NOTE: This analysis includes students in grade 5 at Sabin or Skyline in 2007-08 who attended the same school for all 3 subsequent years: grade 6 (in 2008-09), grade 7 (in 2009-10), and grade 8 (in 2010-11), and who had valid OAKS scores each year, excluding extended assessments.

Subject	OAKS	Grade	Sabin to Beaumont	Sabin to Sabin	Skyline to West Sylvan	Skyline to Skyline
Reading	Number of Students		9	13	15	21
	Mean Score	5	226.7	219.6	228.6	229.6
		6	231.7	225.9	233.8	237.0
		7	236.3	229.5	238.6	246.4
		8	238.4	234.5	239.8	244.2
	Percent Meeting	5	88.9%	69.2%	80.0%	95.2%
		6	100.0%	76.9%	86.7%	90.5%
		7	100.0%	69.2%	86.7%	95.2%
		8	88.9%	76.9%	86.7%	95.2%
	Math	Number of Students		9	12	15
Mean Score		5	226.9	220.0	227.5	228.6
		6	235.3	225.1	237.9	241.5
		7	239.0	227.7	244.2	252.7
		8	240.1	235.1	247.9	253.9
Percent Meeting		5	100.0%	75.0%	93.3%	90.5%
		6	100.0%	83.3%	93.3%	95.2%
		7	100.0%	66.7%	100.0%	100.0%
		8	100.0%	58.3%	93.3%	95.2%
Science		Number of Students		9	13	14
	Mean Score	5	231.8	222.8	237.1	239.6
		8	240.1	237.5	246.1	248.9
	Percent Meeting	5	77.8%	30.8%	92.9%	100.0%
		8	100.0%	61.5%	78.6%	100.0%
	Writing	Number of Students		10	13	15
Mean Score		7	39.0	34.4	40.3	37.9
Percent Meeting		7	70.0%	30.8%	66.7%	52.4%



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BOARD POLICY

**Capital Asset Renewal
Funds and Plans**

8.70.044-P

8.70.044 Capital Asset Renewal Funds and Plans

The Board of Education believes that all students deserve a quality learning environment. Consequently, the District should have a plan governing how all physical facilities that house and support the education programs of the District can be continuously maintained, regularly revitalized, and constructed using current best practices and methods that promote student learning. Such a plan should reflect actual funding capacity while supporting the goal of adequate funding to meet this policy goal.

The following policy provides the foundation for the implementation of a strategy designed to extend the useful life of District facilities, ensure public capital investments are properly preserved, and reduce deferred maintenance costs.

Therefore, it is Board Policy that:

- 1) The Superintendent shall develop a 20 year Capital Asset Renewal Plan (CAR Plan) for Board approval in FY 11-12, with updates at subsequent five year intervals, to provide for life-cycle renewal of major building components the District has invested in over the last several years including Rosa Parks and Forest Park as well as for any newly modernized or renovated buildings in the future. Major building components include, but are not limited to, items like roof replacements, athletic field replacements, boiler upgrades, and major mechanical, electrical and plumbing upgrades.
- 2) The District shall establish funding for the Capital Asset Renewal (CAR) Plan that shall include, but not be limited to, the following components:
 - a. Fund 404: Construction Excise Tax (CET) Revenues (net of approved expenses and charges).
 - b. A new Capital Asset Renewal (CAR) Fund.
 - i. Subsequent to debt retirement estimated to begin in FY 2021/22, redirection of the Recovery Zone Bond utility savings.
 - ii. Lease revenues and surplus property sales. At a minimum, lease revenue shall be base-lined at the FY 2011/12 present day value to hold the General Fund stable.



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BOARD POLICY

8.70.044-P

**Capital Asset Renewal
Funds and Plans**

- iii. Revenue generated from renting/leasing District athletic fields. Revenue generated from renting/leasing athletic fields will be tracked through the Civic Use of Buildings office.
 - c. Interest earned by funds in any of the above Funds.
- 3) Capital asset renewal projects identified in the CAR Plan and the use of funds from the CAR Fund and the CET Fund (Fund 404) will be proposed by the Superintendent in the District's annual budget process and are subject to annual Board of Education approval.

History:



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BOARD OF EDUCATION STAFF REPORT & SUPERINTENDANT'S RECOMMENDATION

BOARD OF EDUCATION: POLICY FOR CAPITAL ASSET RENEWAL

Board Committee Meeting Date: September 19, 2011 **District Priority:** Design and Implement Capital Improvement Plan

Board Meeting Dates: November 29, 2011 (1st Reading)
January 23, 2012 (2nd Reading) **Executive Committee Lead:**
C.J.Sylvester, COO

Department: Facilities & Asset Management

Staff Lead: Tony Magliano, Director of Facilities and Asset Management

I. ISSUE STATEMENT

The Chief Operating Officer (COO) proposes the adoption of a Board of Education Policy directing:

- 1) The development of a Capital Asset Renewal Plan (CAR Plan) to provide for life-cycle renewal of major building components the District has invested in over the last several years including Rosa Parks and Forest Park as well as for any newly modernized or renovated buildings in the future. Major building components include, but are not limited to, items like roof replacements, athletic field replacements, boiler upgrades, and major mechanical, electrical and plumbing upgrades.
- 2) The establishment of a Capital Asset Renewal Fund (CAR Fund) by dedicating certain current and future revenues to implement the CAR Plan.
- 3) The use of the annual budget process to approve capital asset renewal projects identified in the CAR Plan using the CAR Fund and the Construction Excise Tax (Fund 404).

The proposed policy is designed to extend the useful life of District facilities, ensure public capital investments are properly preserved, and minimize deferred maintenance costs.

II. BACKGROUND

Analysis completed in preparation for submission of a Capital Bond Ballot Measure in 2010 identified the need to develop a sustainable strategy to fund life-cycle renewal of building components after they are renovated to current standards.

The need for similar capital renewal planning for all District facilities was also identified.

Any future proposed Bond program will result in the capital improvement and rebuilding of many District facilities over a number of years. The 2010 pre-bond preparation analysis identified a need to find and dedicate additional sources of capital funds to ensure these capital investments are maintained through a comprehensive capital renewal program.

Staff identified revenue sources for the CAR Plan that could be set-aside to begin funding life cycle renewal of District facilities:

- 1) Construction Excise Tax (CET) Revenues in PPS Fund 404.
- 2) Subsequent to debt retirement estimated to begin in FY 21/22, redirection of the Recovery Zone Bond utility savings to the CAR Fund.
- 3) Lease revenues and surplus property sales to the CAR Fund. At a minimum, lease revenue shall be base-lined at the FY 11/12 present day value to hold the General Fund stable.
- 4) Revenue generated from renting/leasing District athletic fields. Revenue generated from renting/leasing athletic fields will be tracked through the Civic Use of Buildings office.
- 5) Interest earned on the CAR Fund and Fund 404.

III. PROPOSED NEW POLICY- RELATED POLICIES/BEST PRACTICES

The proposed new Policy calling for development of a CAR Plan and the establishment of CAR Fund is consistent with:

- 1) Board Policy 8.70.042-P Dedicated Reserve for Income from Disposition Of Surplus Real Properties. This Policy allows for the use of revenues from the sale or other disposition of surplus properties to be dedicated to a special reserve fund (or general fund) and used to support the district's capital improvement needs (among several other purposes).
- 2) Board Policy 8.80.010-P High Performance Facility Design. This Policy calls for the district to "plan for and seek additional sources of funds to support...preservation, high quality maintenance, renovation, or replacement of its capital stock."

In addition, the Council of Great City Schools analyzed key performance indicators for non-instructional operations across a comparative sample of large school districts including PPS in an October 2009 report. The Council found that PPS has a lower than median percent of its General Fund dedicated to maintenance and operations. Comparisons to other Oregon districts indicate that PPS also dedicates less than the local median amount.

To best stretch limited dollars, PPS has reorganized its service delivery model to conform to the practices outlined in "Best Practices Manual for Maintenance and Operations" by the Collaborative for High Performance Schools. However, it is clear that increasing capital renewal needs cannot be fully addressed solely by organizational efficiencies alone.

IV. FISCAL IMPACT

The proposed Policy would set-aside millions of dollars over the course of the next 20 years in the CAR Fund -- to be used for the life cycle renewal of major building components the District has invested in over the last several years including Rosa Parks and Forest Park as well as for any newly modernized or renovated buildings in the future.

The Construction Excise Tax (CET) is a relatively new source of capital exclusive funds for the District, authorized by the Legislature in 2007 and imposed by the District in January of 2008. To date, the District has held the revenue from the CET in reserve. As of July 1, 2011, an estimated \$2.5 million of CET funds were available.

The Recovery Zone Bond utility savings are the result of energy and water conservation improvements to our facilities. These debt service dollars will be redirected to the CAR Fund upon retirement of debt service estimated to begin in FY21/22.

Lease revenues and Surplus Property sales are currently directed by Board Resolution to either general fund use or for use to support capital improvements. This proposal would dedicate a portion of those proceeds to the CAR Fund for use to support the CAR Plan while maintaining the General Fund at the FY 11/12 level in present day dollars.

Lease/Rental revenue from District athletic fields are currently directed to the General Fund. Staff are developing a plan to more fully utilize PPS's synthetic turf fields while still accommodating PPS athletic and school events. This plan provides field space for outside community groups and increases field revenue which contributes to the maintenance and replacement of District athletic fields. This proposal would dedicate those proceeds (currently about \$19,000/year) to the CAR Fund for replacement of District athletic fields. Staff will track and report field revenue separately to provide visibility as to whether synthetic fields are generating enough revenue to sustain themselves.

V. COMMUNITY ENGAGEMENT

Staff sought input on the preliminary plan from outside financial experts including the Portland Business Alliance and the Building Owners and Managers Association. Because this is a capital renewal planning proposal and an internal financial procedure with expenditures subject to the annual District budget process, no general community input was sought.

Subsequent to the September 19, 2011, Board Work Session on this Plan and Policy, staff met with members of the Portland Business Alliance (PBA) and informed them of District progress toward Board adoption of this work effort. The PBA will provide a business leader to actively participate on the Facility Planning Advisory Committee.

VI. BOARD OPTIONS

The Board of Education in Resolution No. 3833 on January 14, 2008 imposed a Construction Excise Tax as provided for under Oregon Revised Statutes (ORS). ORS requires the Board of Education adopt a long-term facilities plan for making capital

improvements. The Statues allow the use of CET funds for a wide variety of capital improvements including new construction, reconstruction, improvements, equipment, furnishings, and other tangible property or asset with a useful life of more than one year as well as other costs related to capital improvements.

Under the proposed Policy, the Board directs the development of a CAR Plan. The Policy will establish a CAR Fund to implement the Plan and identify the types of revenue that may be utilized as funding.

At its discretion, the Board may choose:

- 1) To approve or not approve the proposed Policy, CAR Plan and CAR Fund
- 2) To modify the Policy or Plan including changing the types of funding sources for the Reserve

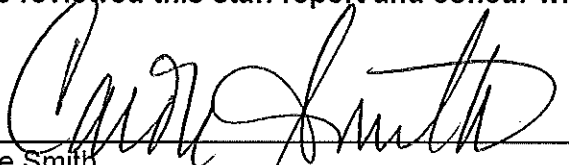
VII. STAFF RECOMMENDATION

Staff recommends approval of the proposed Capital Asset Renewal Policy establishing a Capital Asset Renewal Fund, identifying revenue sources for the Fund, and directing the development of a Capital Asset Renewal Plan as described above. The purpose of the Policy is to provide for life cycle renewal of major building components the District has invested in over the last several years including Rosa Parks and Forest Park as well as for any newly modernized or renovated buildings through future voter-approved Bond measures or other sources of funding.

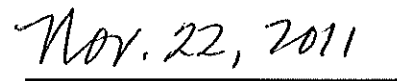
VIII. TIMELINE FOR IMPLEMENTATION/EVALUATION

The proposed Capital Asset Renewal Fund will be established following Board adoption of the proposed Policy after its second reading. A proposed Capital Asset Renewal Plan will be developed and submitted for Board review in FY 11-12. Annual CAR Plan expenditures will be submitted for Board review starting with the FY 12-13 annual budget process.

I have reviewed this staff report and concur with the recommendation to the Board.



Carole Smith
Superintendent
Portland Public Schools



Date

ATTACHMENTS

- A. Representative Example of 20 year Capital Renewal Expenses and Revenue
- B. Resolution including Policy



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BOARD POLICY

**Capital Asset Renewal
Funds and Plans**

8.70.044-P

8.70.044 Capital Asset Renewal Funds and Plans

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BOARD POLICY

8.70.044-P

**Capital Asset Renewal
Funds and Plans**

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History:



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Superintendent's Recommendation to the Board and Staff Report

Title: Budget Amendment #2 to the Fiscal Year 2011/12 Adopted Budget

Board Committee Date:
January 17, 2012

**District Priority: Build Shared Leadership
and Accountability for Results**

Board Meeting Date (if action item):
January 23, 2012

Executive Committee Lead: Neil Sullivan, CFO

Department: Finance

Staff Lead: Zhai Logan, Budget Director

Issue Statement

Amend the Fiscal Year 2011/12 Adopted Budget incorporating directions from the Superintendent, including updated Beginning Fund Balances and other technical budget updates.

Background

School districts are allowed, and sometimes required by law (ORS 294.480), to amend the budget during the fiscal year. The District has experienced changes in its financial position that require updating the budget to better reflect the current status.

- On June 27, 2011 the Board, by way of Resolution No. 4474, voted to adopt an annual budget for the Fiscal Year 2011/12 as required under Local Budget Law.
- On October 24, 2011 the Board, by way of Resolution No. 4501, amended the Fiscal Year 2011/12 budget.

Each fall the Budget Department, in cooperation with schools and central departments, conducts a reconciliation process whereby the current budget is reviewed and compared to the actual activities the district is engaged in and prepares an amended budget accordingly. In addition, as part of that process, all funds are reviewed and beginning fund balances are updated to match prior year ending fund balances as reflected in the audited amounts presented in the District's Comprehensive Annual Financial Report (CAFR).

Related Policies/Fiscal Impact

An amended budget is necessary to ensure effective financial management of the District's programs and priorities and to remain in compliance with State statute. Specifically, the District is required to ensure legal appropriation of expenditures by program area as defined in the State Chart of Accounts.

General Fund

- The proposed amendment results in a net increase in the General Fund of \$1,159,540.
- Increase Beginning Fund Balance by \$3,316,038 to match the CAFR.
- Other revisions made to resources include an additional \$5,004,270 from the State School Fund resulting from increased enrollment and additional School Year Sub-Account funding, and an additional \$1,159,988 in recovery of prior year expenditures made as a result of the fire at Binnsmead (of which \$620,241 was received directly into Fund 101 and \$539,747 was passed thru Fund 601).
- A decrease of \$8,320,756 in anticipated revenue from the Local Option Levy, resulting from decreased market value, compression, and new rate calculations.
- Contingency is unchanged at \$24,559,259.
- Reconcile budget to reflect current school and central department activities. This results in a net decrease to Instruction of \$1,284,197 and a net increase to Support Services of \$1,394,454. The majority of this shift has occurred within schools. Schools convert their allocated instructional FTE into support FTE such as Counselors and Librarians.
- Increase to Enterprise & Community Services by a net of \$526,402 as a result of the reorganization related to Family Engagement.
- Increase Facilities Acquisition and Construction by a net of \$522,881 as a result of reconciling carryover from 2010/11.

Student Body Activity Fund (201)

- Decrease Beginning Fund Balance by \$118,805 to match the CAFR and adjust requirements to balance.

Cafeteria Fund (202)

- Increase Beginning Fund Balance by \$508,883 to match the CAFR and adjust other anticipated revenue sources.
- Balance the fund by increasing requirements, primarily in Food Preparation & Service.

PERS Rate Stabilization Fund (225)

- Decrease Beginning Fund Balance by \$12,800 to match the CAFR and reduce Ending Fund Balance by the same.

Construction Excise Tax (404)

- Increase Beginning Fund Balance by \$1,360,825 to match the CAFR and increase Contingency by the same amount.

School Modernization Fund (405)

- Increase Beginning Fund Balance \$168,360 to match the CAFR.
- Restore Fund to intended levels after technical corrections made in Amendment #1.
- Changes in requirements represent a 95% increase over those in Amendment #1, and as such require inclusion in a public hearing to be held by the Board prior to amending the budget, as covered by ORS 294.480 (4).

IT System Project Fund (407)

- Decrease Beginning Fund Balance by \$217,126 to match the CAFR.
- Reduce Contingency by \$269,301 and increase Support Services by \$56,555.

Full Faith and Credit Fund (420)

- Increase Beginning Fund Balance by \$1,081,532 to match the CAFR and adjust requirements to balance.
- Changes in requirements represent a 24% increase over the current budget, and as such require inclusion in a public hearing to be held by the Board prior to amending the budget, as covered by ORS 294.480 (4).

Recovery Funds (480)

- Reduce Beginning Fund Balance by \$803,701 to match the CAFR and adjust requirements to balance.

Self-Insurance Fund (601)

- Increase Beginning Fund Balance by \$994,728 to match the CAFR.
- Increase Contingency from \$500,000 to \$2,114,740.
- Recognize recovery of previous expenses related to Binnsmead fire of \$1,159,759, of which \$539,747 will be transferred to the General Fund to support operations.

Board Options

This action requests that the Board amend the FY 2011/12 budget.

The Board may choose not to amend the budget. However, the District is still required under State statute to limit spending to the amount of funds actually available. Also under State statute, no fund is allowed to end the year in a negative position. Without these changes, the District would be at risk of ending the year with some funds in a negative position.

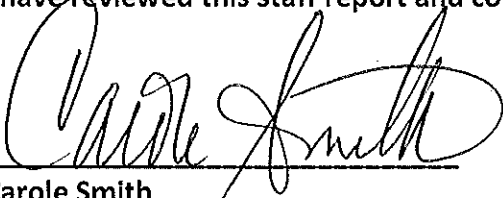
Staff Recommendation

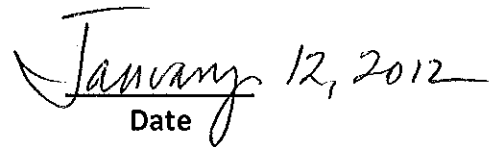
Staff recommends the Board authorize the proposed changes to the FY 2011/12 budget as summarized below and in the authorizing resolution.

Board Committee Review

This action is scheduled for discussion and deliberation by the Board Committee on January 17, 2012.

I have reviewed this staff report and concur with the recommendation to the Board.


Carole Smith
Superintendent
Portland Public Schools


Date

ATTACHMENTS

- A. Resolution – Amendment No. 2 to the 2011/12 Budget for School District No. 1J, Multnomah County, Oregon



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SUPERINTENDENT'S RECOMMENDATION TO THE BOARD AND STAFF REPORT

BOILER BURNER PROJECT

Board Work Session Date: January 17, 2012

District Priority: Design and Implement Capital Improvement Plan

Board Meeting Date: January 23, 2012

Executive Committee Lead: C.J. Sylvester, COO

Department: Facilities and Asset Management

Staff Lead: Tony Magliano, Director of Facilities and Asset Management

I. ISSUE STATEMENT

Forty-seven (47) of our school sites use heavy fuel oil (PS300) or diesel for heating their boilers; converting to natural gas offers utility savings of about \$1.8 million per year.

II. BACKGROUND

- A. Portland Public Schools has over 100 District facilities, 49 of these facilities are heated primarily by PS300 or diesel through oil-burning boilers.
- B. There are 47 oil burning sites (see Attachment A) where the change-out of the boiler fuel from oil to natural gas offers substantial operating cost savings.
- C. The failed 2011 PPS School Facility Bond included the boiler fuel conversion or replacement at all 47 sites.
- D. This proposed project scope includes:
 1. Replacing existing fuel oil burners with new natural gas burners,
 2. Replacing existing oil burners with dual fuel burners at select sites. Dual fuel burners can burn natural gas or diesel fuel. Significant fuel use at these 2-3 sites allows the District to take advantage of an available interruptible rate structure where temporarily switching to diesel fuel provides a rate incentive and saves the district additional money,
 3. Demolishing the interior oil distribution and pre-heating system,
 4. Required seismic stack modifications and/or stack liners,
 5. Required asbestos abatement,
 6. Ductwork and flue modifications,
 7. New gas meters and gas piping, and
 8. Decommissioning of existing underground storage tanks and fuel lines.
- E. For the fiscal year ending June 2011, the 47 included sites consumed 1,071,537 gallons of fuel oil and diesel at a cost of \$2,705,500, with an average \$/gal of \$2.52/gal.
- F. If the district fueled these sites with natural gas it would have cost \$1,398,355, saving the district over \$1.3 million based on FY 2010-11 figures.
- G. Based on an escalated fuel oil cost of \$3.00/gal and past usage, the annual utility savings for FY 2012-13 are estimated at \$1.8 million. This is the anticipated additional cost for FY 12-13 of continuing to use fuel oil rather than converting to natural gas.
- H. The annual DEQ fees associated with air contaminate discharge permits required to operate the fuel oil boilers at these sites averages around \$18,000; this will be an additional project savings.
- I. The estimated total cost to complete this project is \$9.12 million.
- J. Past boiler burner retrofit projects have resulted in considerable fuel consumption savings, as well as operating cost savings. (see Attachment B.)

- K. The assumed savings are based on a one to one conversion of each fuel type by energy content.
- L. The price of fuel oil and diesel has seen significant cost escalation in the last decade as compared to natural gas.
- M. Natural gas is less than half the cost on a per energy unit basis versus fuel oil at current rates.
- N. Local sourcing of PS300 is becoming more difficult and will likely drive heating costs up as supply sources diminish.
- O. PPS is the largest consumer of PS300 in the Portland Metro area, annually consuming about one million gallons and emitting nearly 10,000 equivalent metric tons of CO2 into neighborhood communities throughout Portland.
- P. Staff has developed a preliminary project delivery plan which provides for most of this work to be completed prior to the fall 2012 heating season. The plan is predicated on pre-ordering materials and implementing a phased contracting strategy. If all of the work can be completed prior to the fall heating season, the District will immediately realize in FY 2012-13 full cost savings from the burner change out.
- Q. The Chief Financial Officer will submit financing options to the Board under a separate staff report.

III. RELATED POLICIES/BEST PRACTICES

- A. This action applies to the District Strategic Framework foundational element "Stable Operating Model".
- B. The conversion of these burners aligns the District with its ongoing sustainability and energy conservation efforts.
- C. Aligns with Board policy 3.30.080-P on Resource Conservation.
 - 1. Specifically Section (1) Paragraph (d): *Maintain energy usage and energy costs at the lowest level that is reasonably achievable and consistent with an efficient learning environment in schools.*
- D. Aligns with Board policy 3.30.082-P on Environmentally Sustainable Business Practices.
 - 1. Specifically Section (2) Paragraph (d): *Purchase products based on long-term environmental and operating costs and include environmental and social costs in short term prices.*
- E. By replacing burners in these boilers the District will reduce its carbon emission levels released from these boilers by almost 50%.

IV. FISCAL IMPACT

- A. While the goal is to achieve a \$1.8M savings in FY 2012-13, staff is using a conservative estimate of \$1.2M based on only completing 2/3 of the conversions and therefore only realizing 2/3 of the savings benefit for FY 2012-13. Combined utility and permitting savings are estimated to escalate through 2019 to over \$2.2M annually.
- B. The simple payback for this project is just over five years, based on dividing the total project cost of \$9.12M by the estimated first year utility savings of \$1.8M.
- C. Required boiler maintenance will be greatly reduced thereby allowing custodians to allocate more time to operate and otherwise maintain these schools.
- D. Staff time currently devoted to the management and tracking of this fuel source can be reallocated to other district priorities.
- E. The district will increase its capital value at these sites.
- F. The district will decrease its risk associated with fuel oil distribution and potential contamination.
- G. The district will decrease its budget and operational risk associated with rising oil prices and faltering production.

V. COMMUNITY ENGAGEMENT

- A. District staff continues to interact with the public regarding our facilities including past and future energy saving projects.

VI. BOARD OPTIONS

- A. To direct staff to complete this work.
- B. To not direct staff to complete this work and continue the use of PS300 fuel oil as the primary fuel source for schools that have not been previously converted to natural gas.

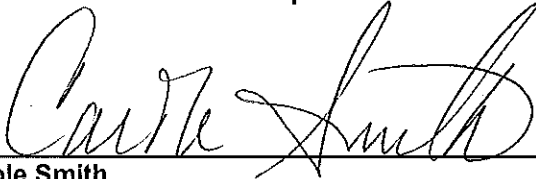
VII. STAFF RECOMMENDATION

- A. Staff recommends the Board approve converting the forty-seven school sites identified in Attachment B to natural gas burners for heating their boilers.

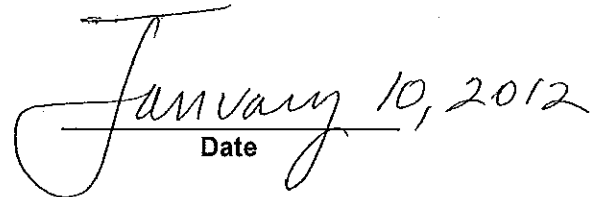
VIII. TIMELINE FOR IMPLEMENTATION/EVALUATION

- A. Pre-Engineering Survey – 1/3 to 1/21
- B. Design/Engineering/Bidding – 2/1 to 3/1
- C. Design Phase – 3/1 to 5/20
- D. Contractor Bidding (3 phases) – 4/1 to 7/1
- E. Construction Phase – 5/15 to 10/15
- F. Annual utility cost savings will be reported at the end of each fiscal year to highlight and evaluate project outcomes.

I have reviewed this staff report and concur with the recommendation to the Board.



Carole Smith
Superintendent
Portland Public Schools



Date

ATTACHMENTS

- A. Purposed Boiler Burner Conversion Sites
- B. Boiler Burner Conversion: Previous Project Fuel Cost and Energy Consumption Analysis

Report – January 9, 2012

Expenditure Contracts Exceeding \$25,000 and through \$150,000

Portland Public Schools (“District”) Public Contracting Rules PPS-45-0200(6) (Authority to Approve District Contracts; Delegation of Authority to Superintendent) requires the Superintendent to submit to the Board of Education (“Board”) at the “Board’s monthly business meeting a list of all contracts in amounts over \$25,000 and up to \$150,000 approved by the Superintendent or designees within the preceding 30-day period under the Superintendent’s delegated authority.” Contracts meeting this criterion are listed below.

NEW CONTRACTS

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
Youth Progress Association	09/01/11 through 08/31/11	Personal / Professional Services PS 58864	District-wide: Education and training in independent living skills, including employment development, vocational training, math, keyboarding, art therapy, and literacy; paid through Title I.	\$27,663	W. Campbell Fund 205 Dept. 6942 Grant G1181
Regional Arts and Culture Council	10/03/11 through 09/30/13	Personal / Professional Services PS 58871	District-wide: Arts education through Young Audiences of Oregon and SW Washington for 4,467 students at 11 K-8 schools; includes associated professional development.	\$64,343	M. Goff Fund 101 Dept. 5442
Culinary Standards	12/08/11 through 06/30/12	Material Requirements MR 58857	District-wide: Diverted commodity processing (beef), as needed; other parties to contract are Beaverton SD and Hillsboro SD.	\$50,000	G. Grether-Sweeney Fund 202 Dept. 5570
Best Express Foods	12/08/11 through 06/30/12	Material Requirements MR 58858	District-wide: Diverted commodity processing (pizza), as needed; other parties to contract are Beaverton SD and Hillsboro SD.	\$50,000	G. Grether-Sweeney Fund 202 Dept. 5570
Kings Delight	12/13/11 through 06/30/12	Material Requirements MR 58872	District-wide: Diverted commodity processing (chicken), as needed; other parties to contract are Beaverton SD and Hillsboro SD.	\$130,000	G. Grether-Sweeney Fund 202 Dept. 5570
Organization for Educational Technology and Curriculum	11/02/11	Purchase Order PO 104983	District-wide: Purchase of 130 Da-Lite multi-media trolley carts; part of Spring 2012 Tech Bundles Project.	\$35,100	N. Jwayad Fund 407 Dept. 5581 Project A1007
Organization for Educational Technology and Curriculum	12/16/11	Purchase Order PO 105856	District-wide: Purchase of 80 AVerVision document cameras, 80 Hitachi data projectors, and associated peripherals; part of Spring 2012 Tech Bundles Project.	\$67,610	N. Jwayad Fund 407 Dept. 5581 Project A1007
Apple Computers, Inc.	12/16/11	Purchase Order PO 105919	District-wide: Purchase of 71 13" MacBook and associated peripherals and AppleCare warranties; part of Spring 2012 Tech Bundles Project.	\$68,010	N. Jwayad Fund 407 Dept. 5581 Project A1007
West Coast Paper Company	12/27/11	Purchase Order PO 105996	District-wide: Purchase of 1,480 cases of copy paper.	\$64,128	N. Jwayad Fund 101 Dept. 5581

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
Serendipity Center, Inc.	09/01/11 through 06/30/12	Personal / Professional Services PS 58836	Special Education: Customized instructional programs for four District students in compliance with ODE requirements.	\$80,000	C. Randall Fund 101 Dept. 5414

AMENDMENTS TO EXISTING CONTRACTS

Contractor	Contract Term	Contract Type	Description of Services	Amendment Amount, Contract Total	Responsible Administrator, Funding Source
Educational Supports	12/31/11 through 09/30/12	Personal / Professional Services PS 57482 Amendment 1	Benson Polytechnic and Franklin HS: Nine-month extension of contract for evaluation services of Smaller Learning Communities program.	\$45,000 \$115,000	M. Goff Fund 205 Dept. 5487 Grant G0887
Certica Solutions, Inc.	01/01/12 through 12/31/12	Personal / Professional Services PS 56447 Amendment 1	District-wide: One-year extension of student data validation software maintenance and support services contract.	\$46,000 \$370,000	N. Jwayad Fund 101 Dept. 5581

INTERGOVERNMENTAL AGREEMENTS ("IGAs")

No IGAs

N. Sullivan

Report – January 23, 2012

Expenditure Contracts Exceeding \$25,000 and through \$150,000

Portland Public Schools (“District”) Public Contracting Rules PPS-45-0200(6) (Authority to Approve District Contracts; Delegation of Authority to Superintendent) requires the Superintendent to submit to the Board of Education (“Board”) at the “Board’s monthly business meeting a list of all contracts in amounts over \$25,000 and through \$150,000 approved by the Superintendent or designees within the preceding 30-day period under the Superintendent’s delegated authority.” Contracts meeting this criterion are listed below.

NEW CONTRACTS

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
LAB-AIDS, Inc.	01/24/12	Purchase Order PO 106114	District-wide: Purchase of 510 totes of materials for life, earth, and physical science laboratory; part of middle school science curriculum adoption.	\$51,765	M. Goff Fund 191 Dept. 5555 Project B1202
LAB-AIDS, Inc.	01/24/12	Purchase Order PO 106201	District-wide: Purchase of 21 earth sciences laboratory kits; part of middle school science curriculum adoption.	\$86,645	M. Goff Fund 191 Dept. 5555 Project B1202
LAB-AIDS, Inc.	01/24/12	Purchase Order PO 106202	District-wide: Purchase of 26 life sciences laboratory kits; part of middle school science curriculum adoption.	\$125,519	M. Goff Fund 191 Dept. 5555 Project B1202
LAB-AIDS, Inc.	01/24/12	Purchase Order PO 106226	District-wide: Purchase of 140, eight-drawer storage carts for laboratory materials; part of middle school science curriculum adoption.	\$32,399	M. Goff Fund 191 Dept. 5555 Project B1202
CDW Government, Inc.	01/24/12	Purchase Order PO 106078	District-wide: Purchase of 34 Hewlett-Packard desktop computers, with associated monitors, asset tagging, imaging, and three-year warranties.	\$26,830	N. Jwayad Fund 101 Dept. 5581
Apple Computers, Inc.	01/24/12	Purchase Order PO 106119	District-wide: Purchase and installation of 30, 21.5” iMac computers and associated three-year warranties.	\$32,370	N. Jwayad Fund 101 Depts. 1160 & 5581
eCIFM Solutions, Inc.	01/01/12 through 12/31/12	Personal / Professional Services PS 58886	District-wide: Development services for a capital projects request intake procedure.	\$48,417	T. Magliano Funds 101 & 191 Depts. 5592 & 5597 Project F0257

AMENDMENTS TO EXISTING CONTRACTS

Contractor	Contract Term	Contract Type	Description of Services	Amendment Amount, Contract Total	Responsible Administrator, Funding Source
Open Text Inc.	01/01/12 through 12/31/12	Personal / Professional Services PS 55724 Amendment 5	District-wide: One-year extension of maintenance and support services contract for Red Dot content management system.	\$51,258 \$368,085	N. Jwayad Fund 101 Dept. 5581

Contractor	Contract Term	Contract Type	Description of Services	Amendment Amount, Contract Total	Responsible Administrator, Funding Source
Lynch Mechanical Construction, Inc.	12/20/11 through 01/31/13	Construction C 58376 Amendment 6	District-wide: Construction services for un-surveyed mechanical valve installation; part of 2010 Recovery Zone Energy and Water Conservation Projects.	\$26,612 \$752,493	T. Magliano Fund 421 Dept. 5597 Project E0102

INTERGOVERNMENTAL AGREEMENTS (“IGAs”)

No IGAs

N. Sullivan

BOARD OF EDUCATION
SCHOOL DISTRICT NO. 1J, MULTNOMAH COUNTY, OREGON

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Purchases, Bids, Contracts

The Superintendent RECOMMENDS adoption of the following item:

Numbers 4535

RESOLUTION No. 4535

Personal / Professional Services, Goods, and Services Expenditure Contracts Exceeding \$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 agreements in a form approved by General Counsel for the District.

NEW CONTRACTS

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
Tech Depot	01/24/12 through 04/30/13	Cooperative Agreement COA 58894	District-wide: Technology products/equipment and associated services, as needed; District will be using an existing Fairfax County, VA, contract (05/01/09-04/30/13) on a cooperative basis as allowed in that contract’s terms.	Greater than \$250,000	D. Fajer Various funding sources
Northwest Textbook Depository Company	01/24/12	Purchase Order PO 106117	District-wide: Purchase of 6,790 earth, life, and physical science textbooks and associated six-year online student licenses; part of middle school science curriculum adoption.	\$365,268	M. Goff Fund 191 Dept. 5555 Project B1202
LAB-AIDS, Inc.	01/24/12	Purchase Order PO 106203	District-wide: Purchase of 21 physical science laboratory kits and certain additional materials; part of middle school science curriculum adoption.	\$150,240	M. Goff Fund 191 Dept. 5555 Project B1202
Jennie-O-Turkey Store Sales, LLC	01/10/12 through 06/30/12	Material Requirements MR 58897	District-wide: Diverted commodity processing (turkey), as needed; other parties to contract are Beaverton and Hillsboro SDs.	\$200,000	G. Grether-Sweeney Fund 202 Dept. 5570
Tyson Prepared Foods, Inc.	07/01/11 through 06/30/12	Material Requirements MR 58908	District-wide: Diverted commodity processing (chicken), as needed; other parties to contract are Beaverton and Hillsboro SDs.	\$260,000	G. Grether-Sweeney Fund 101 Dept. 5570
Camp Fire USA Columbia Council	10/01/11 through 09/30/12	Personal / Professional Services PS 58914	District-wide: After-school tutoring and mentorship services for approximately 337 academic priority 6-8th graders at nine feeder schools for Roosevelt and the former Marshall Campuses.	\$515,583	T. Hunter Fund 205 Dept. 5485 Grant G1116

AMENDMENTS TO EXISTING CONTRACTS

No Amendments to Existing Contracts

INTERGOVERNMENTAL AGREEMENTS (“IGAs”)

Contractor	Contract Term	Contract Type	Description of Services	Contract Amount	Responsible Administrator, Funding Source
Multnomah Education Service District	07/01/11 through 06/30/12	IGA 58907	Alpha School, Education Success Center, Helensview School & Reconnection Center: Educational reengagement services through MESD's "Reconnecting Youth Program" for out-of-school youth.	\$203,000	T. Hunter Fund 101 Dept. 5485

N. Sullivan

Other Matters Requiring Board Action

The Superintendent RECOMMENDS adoption of the following items:

Number 4536 through 4544

RESOLUTION No. 4536

2011–2013 Agreement between Portland Federation of School Professionals and
School District No. 1, Multnomah County, Oregon

RESOLUTION

The Chairperson of the Board of Education and the Director of Labor Relations (for the Executive Director of Human Resources) are authorized and directed to execute the 2011–2013 Agreement between the Portland Federation of School Professionals, Local No. 111, representing Classified Employees and School District No. 1, Multnomah County, Oregon, on the terms presented to the Board and filed in the record of this meeting.

M. Riddell / B. Logan

RESOLUTION No. 4537

Rigler Grade Reconfiguration and Boundary Changes for Alameda, Beaumont, Irvington, Rigler, Sabin and Vernon

RECITALS

- A. For the past three years, Portland Public Schools has analyzed student enrollment at each of our schools and prioritized actions for schools that are larger or smaller than target sizes in order to improve equity of access to rigorous programs. Due to district resource constraints, a limited set of changes can be completed in any given school year.
- B. The priorities for the 2011-12 school year were to complete enrollment change processes that were begun in the 2010-11 school year, including:
- Resolution 4406: Approved in January 2011 to provide temporary enrollment relief to Alameda Elementary School. A two-month long Boundary Advisory Committee process focused upon enrollment issues at Alameda, Beaumont, Sabin and ACCESS, but did not result in a long-term plan to balance enrollment between the schools.
 - Resolution 4470: Approved in June 2011 to shift grades 7 and 8 from Rigler to Vernon. Rigler had been experiencing severe overcrowding, and a recommendation for a larger building was included in the district's construction bond. When the bond was narrowly defeated in May 2011, immediate action was taken to relieve overcrowding. However, the grade change was a temporary measure until a full analysis and community process could produce a longer term solution. The objective of the 2011-12 process was to reduce enrollment at Alameda and Rigler to sustainable levels, preferably through changes that would increase student populations at schools that were near or below district enrollment targets.
- C. A series of meetings were held throughout the fall of 2011 at Alameda, Rigler, and other schools that could have potentially seen related enrollment changes: Beaumont, Faubion, Irvington, Roseway Heights, Sabin, Scott and Vernon. The new PPS stakeholder participation protocols were used to plan and carry out meetings, as well as other opportunities for input. Outreach occurred through news advisories and fact sheets (distributed to media, Northeast Coalition of Neighborhoods, Central Northeast Neighborhoods, pre-K providers), PPS Pulse e-newsletter, PPS web site and social media; sabinparents.org website, school auto-dialers, meeting fliers and parent-to-parent efforts. Based on feedback received and on enrollment, capacity and program analysis, two options were presented for further stakeholder feedback.
- D. The Superintendent's recommendations will :
- Provide enrollment relief to Alameda through boundary changes to Irvington and Sabin
 - Reconfigure Rigler to a K-5 school, and assign grades 6-8 from the Rigler neighborhood to Beaumont Middle School, along with the middle grades portion of the Rigler Spanish Immersion program.
- E. The boundary and grade configuration changes would begin in September 2012, and follow implementation guidelines listed in policy 4.10.045-P, with the following exceptions:
- Current 5th and 6th grade Rigler students would be assigned to Beaumont for Fall 2012, and former Rigler students who are attending Vernon would remain assigned to Vernon through 8th grade. Other assignments will be accommodated, where feasible, for families through the petition transfer process.
 - Non-neighborhood students currently enrolled at Rigler, and students currently attending Alameda who reside in the areas to be assigned to Sabin and Irvington will have a guaranteed space at Beaumont if they complete an on-time transfer request during their 5th grade year.

- F. As a result of the proposed changes:
- Enrollment is expected to fall to sustainable levels at Alameda and Rigler while increasing at Beaumont, Irvington and Sabin, reducing dependence on transfers and improving equity of program offerings between schools.
 - Additional staff resources may be allocated to Vernon to maintain necessary middle grade program levels during the phase-out of former Rigler students.
 - The planning process will continue to move the ACCESS program to another location by September 2013.
- G. Boundary change factors listed in policy 4.10.045-P considered as part of this process were:
- Compact boundaries: A portion of the Alameda boundary will be moved to Irvington and Sabin schools, which are on average .25 miles further away than Alameda. Rigler is the closest school for most students residing in that attendance area, so the reconfiguration from K-8 to K-5 will result in moving 6-8 graders from the closest school, Rigler, to the next closest for most neighborhood students, Beaumont.
 - Stable feeder patterns: As a result of the proposed changes, Alameda neighborhood students would shift to schools already in the Grant feeder system, while Rigler neighborhood and immersion students would continue to feed Madison High School after attending Beaumont for 6th through 8th grades.
 - Diversity: Based on current poverty rates, the new boundaries and grade configuration would result in greater neighborhood diversity for Beaumont. The addition of Alameda boundary change areas would reduce the overall poverty rates at Irvington and Sabin, which could impact the status of Sabin's Title I funding.
 - Optimal facility use: Alameda, Beaumont, Irvington, Sabin and Rigler would experience neighborhood student enrollments that are closer to building capacities due to the proposed boundary shifts and grade reconfiguration. Vernon enrollment would not improve as part of these changes, but will be addressed as part of a future set of enrollment balancing priorities.
 - Enrollment stability:
 - ✓ The proposed changes would not impact special education classrooms at Alameda, Beaumont and Irvington
 - ✓ The International Baccalaureate program would remain at Sabin and Vernon
 - ✓ Rigler Spanish Immersion programming will continue on to Beaumont Middle School, then Madison High School. Given that Rigler neighborhood students have had numerous school assignments over the past decade, Beaumont offers the most stable assignment that will not need to be adjusted in the foreseeable future.
 - ✓ The proposed boundary change necessitates moving the ACCESS program from Sabin to another suitable facility.
 - Limited student impact: The students impacted by boundary change and reconfiguration this year are not expected to be included in other changes that may be proposed for nearby schools in the next 1-3 years.

RESOLUTION

1. The Board accepts the recommendation forwarded by Superintendent Smith for:
- Grade reconfiguration to make Rigler a K-5 school.
 - Assignment of Rigler neighborhood grades 6-8 to Beaumont Middle School,
 - Development of a Spanish Immersion program at Beaumont to serve as the middle grades portion of the continuum from Rigler K-5 through Madison 9-12,
 - Assignment of areas west of 24th Ave. and south of Siskiyou St. from Alameda Elementary and Beaumont Middle schools to Irvington K-8 School,
 - Assignment of areas west of 24th Ave. and north of Siskiyou St. continuing north on 24th Avenue and northeast along a diagonal line north of Stuart Street, then east along Mason and North along 31st Avenue from Alameda Elementary and Beaumont Middle schools to Sabin PK-8 School, and
 - Implementation exceptions to allow current Rigler non-neighborhood students and current Alameda students residing in the boundary change area a guaranteed transfer to Beaumont.

2. The Board acknowledges and appreciates the parents, teachers, students, community members and neighborhood association representatives who have provided vital information and feedback throughout this process.
3. The Board commends the Vernon school community for quickly welcoming and responding to the educational needs of Rigler grade 7-8 students throughout the 2011-12 and 2012-12 school years.
4. The Board directs staff to develop implementation plans for smooth student and staff transitions, including:
 - The development and implementation of a Spanish Immersion program at Beaumont,
 - Identifying the supports, as needed, to maintain program stability at Vernon throughout the phase-out of Rigler students,
 - A timeline and location plan for ACCESS to move from Sabin to a different location, and,
 - Consideration of additional supports at affected schools as identified by an implementation team.

Z. Smith / J. Brennan

RESOLUTION No. 4538

End of Middle School Guarantee for Sabin and Skyline Students

RECITALS

- A. During the 2005-06 school year, and as part of the K-8 school conversions, the School Board provided guarantees for Skyline students to attend West Sylvan Middle School in Resolution 3403, and Sabin students to attend Beaumont Middle School in Resolution x3497A. The guarantees included transportation to the middle schools, and were subject to review in 2011.
- B. In fall 2011, staff measured the effects of the guarantees by looking at the number of transfers, the performance of students who remained at a K-8 or transferred to a guaranteed middle school, the estimated transportation cost and the estimated staff impact related to the transfers.
- The guarantees resulted in an average of 38 Skyline students per year attending grades 6-8 at West Sylvan, while 22 Sabin students on average attended Beaumont.
 - Test scores for a cohort of students who were at Skyline or Sabin in 5th grade and then attended either West Sylvan or Beaumont through the guarantee did not provide clear evidence that either model resulted in more students meeting or exceeding benchmarks.
 - Total estimated transportation costs over the five-year period were \$1,650,000, 70% of which (\$1,155,000) was reimbursed by the State of Oregon. Of the net PPS costs (\$495,000), 85% was allocated toward Skyline buses because of the higher number of students participating in that guarantee and the low density and large size of that neighborhood.
 - Had the guarantee not been in place, it is estimated that enough additional students would have attended Skyline and Sabin to warrant on average a .8 Full Time Equivalent staff member annually at each school.
- C. Feedback has been gathered through public meetings at both schools, and through e-mails sent in from stakeholders. Outreach occurred through news advisories and fact sheets (distributed to media, Northeast Coalition of Neighborhoods, Central Northeast Neighborhoods, pre-K providers), PPS Pulse e-newsletter, PPS web site and social media; sabinparents.org website, school auto-dialers, meeting fliers and parent-to-parent efforts.
- D. Because of the high cost of maintaining transportation and the goal of stabilizing enrollment at small K-8 schools, staff recommends that a middle school guarantee end for Sabin and Skyline students. Lottery transfer remains an option for Sabin and Skyline students, but within the slots available and under the same policies as other PPS applicants.
- E. With the ending of the guarantee, transportation would be phased out for Skyline students, utilizing the most efficient centralized routing system possible, and would be eliminated for Sabin students beginning in September 2012.

RESOLUTION

1. The Board accepts the recommendation forwarded by Superintendent Smith for:
 - Ending the guarantee from Skyline K-8 to West Sylvan Middle School and from Sabin PK-8 to Beaumont Middle School, beginning in September 2012.
 - Phasing out transportation from Skyline to West Sylvan, using the most efficient centralized routing system possible, and ending transportation from Sabin to Beaumont beginning in September 2012.
2. The Board acknowledges and appreciates the parents, teachers, students and community members who have provided vital information and feedback throughout this process.
3. The Board directs staff to develop implementation plans for smooth student and staff transitions, including notifying affected families of the guarantee and transportation changes and setting lottery slots in accordance with guidelines for other district middle schools.

RESOLUTION No. 4539

Adopting a Board of Education Policy Directing the Establishment of a Capital Asset Renewal (CAR) Fund, Directing the Use of Certain Revenues for the Funds, and Directing the Development of a Capital Asset Renewal Plan for the Life-Cycle Renewal of Major Building Components

RECITALS

- A. The Board of Education believes that all students deserve a quality learning environment. Consequently, the District should have a plan governing how all physical facilities that house and support the education programs of the District can be continuously maintained, regularly revitalized, and constructed using current best practices and methods that promote student learning. Such a plan should reflect actual funding capacity while supporting the goal of adequate funding to meet this policy goal.
- B. The Board has identified a need for a sustainable funding strategy to fund the life cycle renewal of major building components the District invested in over the last several years including Rosa Parks and Forest Park as well as for any newly modernized or renovated buildings in the future. Major building components include, but are not limited to, items like roof replacements, athletic field replacements, boiler upgrades, and major mechanical, electrical and plumbing or electrical upgrades.
- C. The goal of this strategy is to extend the useful life of District facilities, ensure public capital investments are properly preserved, and minimize deferred maintenance costs.
- D. Staff has identified revenue sources for a Capital Asset Renewal Plan while minimizing the impact to the general fund. The CAR Plan would include funding from, but not be limited to, the following revenue sources:
 - 1. Construction Excise Tax (CET) Revenues in PPS Fund 404.
 - 2. Subsequent to debt retirement estimated to begin in FY 2021/22, redirection of the Recovery Zone Bond utility savings.
 - 3. Lease revenues and surplus property sales. At a minimum, lease revenue shall be base-lined at the FY 2011/12 present day value to hold the General Fund stable.
 - 4. Revenue generated from renting/leasing District athletic fields. Revenue generated from renting/leasing athletic fields will be tracked through the Civic Use of Buildings office.
 - 5. Interest earned on the CAR Fund and Fund 404.
- F. The Board requires that these Funds be evaluated against Plan requirements no less than every five years.

RESOLUTION

- 1. Funds to support the CAR Plan will be retroactive to the beginning of current fiscal year 2011/12 for the revenue sources identified in Recitals D. 3 thru 5 above. The Board shall establish the new Capital Asset Renewal Fund by separate resolution.

2. The following Board of Education Policy on Capital Asset Renewal Funds and Plans is adopted:

8.70.0xx Capital Asset Renewal Funds and Plans

The Board of Education believes that all students deserve a quality learning environment. Consequently, the District should have a plan governing how all physical facilities that house and support the education programs of the District can be continuously maintained, regularly revitalized, and constructed using current best practices and methods that promote student learning. Such a plan should reflect actual funding capacity while supporting the goal of adequate funding to meet this policy goal.

The following policy provides the foundation for the implementation of a strategy designed to extend the useful life of District facilities, ensure public capital investments are properly preserved, and reduce deferred maintenance costs.

Therefore, it is Board Policy that:

- 1) The Superintendent shall develop a 20 year Capital Asset Renewal Plan (CAR Plan) for Board approval in FY 11-12, with updates at subsequent five year intervals, to provide for life-cycle renewal of major building components the District has invested in over the last several years including Rosa Parks and Forest Park as well as for any newly modernized or renovated buildings in the future. Major building components include, but are not limited to, items like roof replacements, athletic field replacements, boiler upgrades, and major mechanical, electrical and plumbing upgrades.
- 2) The District shall establish funding for the Capital Asset Renewal (CAR) Plan that shall include, but not be limited to, the following components:
 - a. Fund 404: Construction Excise Tax (CET) Revenues (net of approved expenses and charges).
 - b. A new Capital Asset Renewal (CAR) Fund.
 - i. Subsequent to debt retirement estimated to begin in FY 2021/22, redirection of the Recovery Zone Bond utility savings.
 - ii. Lease revenues and surplus property sales. At a minimum, lease revenue shall be base-lined at the FY 2011/12 present day value to hold the General Fund stable.
 - iii. Revenue generated from renting/leasing District athletic fields. Revenue generated from renting/leasing athletic fields will be tracked through the Civic Use of Buildings office.
 - c. Interest earned by funds in any of the above Funds.
- 3) Capital asset renewal projects identified in the CAR Plan and the use of funds from the CAR Fund and the CET Fund (Fund 404) will be proposed by the Superintendent in the District's annual budget process and are subject to annual Board of Education approval.

C.J. Sylvester / T. Magliano

RESOLUTION No. 4540

Amendment No. 2 to the 2011/12 Budget for School District No. 1J, Multnomah County, Oregon

RECITALS

- A. On June 27, 2011 the Board, by way of Resolution No. 4474, voted to adopt an annual budget for the Fiscal Year 2011/12 as required under Local Budget Law.
- B. Board Policy 8.10.030-AD, "Budget Reallocations – Post Budget Adoption," establishes the guidelines to ensure consistent and detailed communication on fiscal issues between the Superintendent and the Board of Education ("Board"). Communication is essential under circumstances that could result in significant reductions or reallocations of funding after the Board has adopted the budget.
- C. Oregon Local Budget Law, ORS 294.480, allows budget changes after adoption under prescribed guidelines.
- D. On October 24, 2011 the Board, by way of Resolution No. 4501, amended the Fiscal Year 2011/12 budget.
- E. This Amendment No. 2 will further revise the FY 2011/12 Adopted Budget under ORS 294.480 guidelines, which states the budget may be amended at a regular meeting of the governing body.
- F. Amendment No. 2 adjusts Beginning Fund Balances to match the FY 2010/11 actual Ending Fund Balances as reflected in the Comprehensive Annual Financial Report (CAFR) for that fiscal year.
- G. Amendment No. 2 adjusts program allocations for funds to more accurately reflect intended expenditures.

RESOLUTION

1. The Board hereby amends budgeted revenues and expenditure appropriation levels as summarized by Fund and Appropriation Level in Attachment A for the fiscal year beginning July 1, 2011.

N. Sullivan / Z. Logan

EXHIBIT "A"

Fund 101 - General Fund	Adopted Budget	Amendment #1	This Amendment	Amendment #2
Resources				
Beginning Fund Balance	28,225,423	28,225,423	3,316,038	31,541,461
Local Sources	270,079,744	270,079,744	(7,700,515)	262,379,229
Intermediate Sources	6,915,000	6,915,000	-	6,915,000
State Sources	156,804,000	156,804,000	5,004,270	161,808,270
Federal Sources	7,000	7,000	-	7,000
Other Sources	5,270,000	5,270,000	539,747	5,809,747
Total	467,301,167	467,301,167	1,159,540	468,460,707

Requirements				
Instruction	254,456,703	254,456,703	(1,284,197)	253,172,506
Support Services	177,021,524	177,021,524	1,394,454	178,415,978
Enterprise & Community Services	550,000	550,000	526,402	1,076,402
Facilities Acquisition & Construction	3,109,593	3,109,593	522,881	3,632,474
Debt Service & Transfers Out	7,604,088	7,604,088	-	7,604,088
Contingency	24,559,259	24,559,259	-	24,559,259
Ending Fund Balance	-	-	-	-
Total	467,301,167	467,301,167	1,159,540	468,460,707

Fund 201 - Student Body Activity Fund	Adopted Budget	Amendment #1	This Amendment	Amendment #2
Resources				
Beginning Fund Balance	3,207,000	3,207,000	(118,805)	3,088,195
Local Sources	8,100,000	8,100,000	-	8,100,000
Intermediate Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Other Sources	-	-	-	-
Total	11,307,000	11,307,000	(118,805)	11,188,195

Requirements				
Instruction	8,150,000	8,150,000	(118,805)	8,031,195
Support Services	-	-	-	-
Enterprise & Community Services	-	-	-	-
Facilities Acquisition & Construction	-	-	-	-
Debt Service & Transfers Out	-	-	-	-
Contingency	-	-	-	-
Ending Fund Balance	3,157,000	3,157,000	-	3,157,000
Total	11,307,000	11,307,000	(118,805)	11,188,195

Fund 202 - Cafeteria Fund	Adopted Budget	Amendment #1	This Amendment	Amendment #2
Resources				
Beginning Fund Balance	2,898,436	2,898,436	508,883	3,407,319
Local Sources	3,780,952	3,780,952	(50,340)	3,730,612
Intermediate Sources	-	-	-	-
State Sources	209,355	209,355	(3,203)	206,152
Federal Sources	12,667,029	12,667,029	(150,229)	12,516,800
Other Sources	-	-	-	-
Total	19,555,772	19,555,772	305,111	19,860,883

Requirements				
Instruction	-	-	-	-
Support Services	-	-	-	-
Enterprise & Community Services	17,025,398	17,025,398	305,111	17,330,509
Facilities Acquisition & Construction	-	-	-	-
Debt Service & Transfers Out	-	-	-	-
Contingency	-	-	-	-
Ending Fund Balance	2,530,374	2,530,374	-	2,530,374
Total	19,555,772	19,555,772	305,111	19,860,883

Fund 225 - PERS Rate Stabilization Fund	Adopted Budget	Amendment #1	This Amendment	Amendment #2
Resources				
Beginning Fund Balance	17,000,000	17,000,000	(12,800)	16,987,200
Local Sources	200,000	200,000	-	200,000
Intermediate Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Other Sources	-	-	-	-
Total	17,200,000	17,200,000	(12,800)	17,187,200

Requirements				
Instruction	-	-	-	-
Support Services	-	-	-	-
Enterprise & Community Services	-	-	-	-
Facilities Acquisition & Construction	-	-	-	-
Debt Service & Transfers Out	1,900,000	1,900,000	-	1,900,000
Contingency	-	-	-	-
Ending Fund Balance	15,300,000	15,300,000	(12,800)	15,287,200
Total	17,200,000	17,200,000	(12,800)	17,187,200

Fund 404 - Construction Excise Fund	Adopted Budget	Amendment #1	This Amendment	Amendment #2
Resources				
Beginning Fund Balance	3,222,972	3,222,972	1,360,825	4,583,797
Local Sources	1,004,000	1,004,000	-	1,004,000
Intermediate Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Other Sources	-	-	-	-
Total	4,226,972	4,226,972	1,360,825	5,587,797

Requirements				
Instruction	-	-	-	-
Support Services	-	-	-	-
Enterprise & Community Services	-	-	-	-
Facilities Acquisition & Construction	3,299,625	3,299,625	-	3,299,625
Debt Service & Transfers Out	677,347	677,347	-	677,347
Contingency	250,000	250,000	1,360,825	1,610,825
Ending Fund Balance	-	-	-	-
Total	4,226,972	4,226,972	1,360,825	5,587,797

Fund 405 - School Modernization Fund	Adopted Budget	Amendment #1	This Amendment	Amendment #2
Resources				
Beginning Fund Balance	7,547,703	7,547,703	168,360	7,716,063
Local Sources	20,000	20,000	-	20,000
Intermediate Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Other Sources	-	-	-	-
Total	7,567,703	7,567,703	168,360	7,736,063

Requirements				
Instruction	-	-	-	-
Support Services	-	-	-	-
Enterprise & Community Services	-	-	-	-
Facilities Acquisition & Construction	7,067,703	3,236,852	3,099,211	6,336,063
Debt Service & Transfers Out	-	-	-	-
Contingency	500,000	4,330,851	(2,930,851)	1,400,000
Ending Fund Balance	-	-	-	-
Total	7,567,703	7,567,703	168,360	7,736,063

Fund 407 - IT System Project Fund	Adopted Budget	Amendment #1	This Amendment	Amendment #2
Resources				
Beginning Fund Balance	3,430,123	3,430,123	(217,126)	3,212,997
Local Sources	-	-	4,380	4,380
Intermediate Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Other Sources	-	-	-	-
Total	3,430,123	3,430,123	(212,746)	3,217,377

Requirements				
Instruction	-	-	-	-
Support Services	2,104,891	2,104,891	56,555	2,161,446
Enterprise & Community Services	-	-	-	-
Facilities Acquisition & Construction	-	-	-	-
Debt Service & Transfers Out	-	-	-	-
Contingency	1,325,232	1,325,232	(269,301)	1,055,931
Ending Fund Balance	-	-	-	-
Total	3,430,123	3,430,123	(212,746)	3,217,377

Fund 420 - Full Faith and Credit Fund	Adopted Budget	Amendment #1	This Amendment	Amendment #2
Resources				
Beginning Fund Balance	5,000,000	5,000,000	1,081,532	6,081,532
Local Sources	23,000	23,000	-	23,000
Intermediate Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Other Sources	-	-	-	-
Total	5,023,000	5,023,000	1,081,532	6,104,532

Requirements				
Instruction	-	-	-	-
Support Services	12,670	12,670	-	12,670
Enterprise & Community Services	-	-	-	-
Facilities Acquisition & Construction	4,510,330	4,510,330	1,081,532	5,591,862
Debt Service & Transfers Out	-	-	-	-
Contingency	500,000	500,000	-	500,000
Ending Fund Balance	-	-	-	-
Total	5,023,000	5,023,000	1,081,532	6,104,532

Fund 480 - Recovery Fund	Adopted Budget	Amendment #1	This Amendment	Amendment #2
Resources				
Beginning Fund Balance	3,000,000	3,000,000	(803,701)	2,196,299
Local Sources	-	-	-	-
Intermediate Sources	-	-	-	-
State Sources	-	-	-	-
Federal Sources	-	-	-	-
Other Sources	-	-	-	-
Total	3,000,000	3,000,000	(803,701)	2,196,299

Requirements				
Instruction	-	-	-	-
Support Services	-	-	-	-
Enterprise & Community Services	-	-	-	-
Facilities Acquisition & Construction	3,000,000	3,000,000	(803,701)	2,196,299
Debt Service & Transfers Out	-	-	-	-
Contingency	-	-	-	-
Ending Fund Balance	-	-	-	-
Total	3,000,000	3,000,000	(803,701)	2,196,299

Fund 601 - Self Insurance Fund	Adopted Budget	Amendment #1	This Amendment	Amendment #2
Resources				
Beginning Fund Balance	3,000,000	3,000,000	994,728	3,994,728
Local Sources	3,430,207	3,430,207	1,159,759	4,589,966
Intermediate Sources	-	-	-	-
State Sources	262,500	262,500	-	262,500
Federal Sources	-	-	-	-
Other Sources	-	-	-	-
Total	6,692,707	6,692,707	2,154,487	8,847,194

Requirements				
Instruction	-	-	-	-
Support Services	2,922,707	2,922,707	-	2,922,707
Enterprise & Community Services	-	-	-	-
Facilities Acquisition & Construction	-	-	-	-
Debt Service & Transfers Out	3,270,000	3,270,000	539,747	3,809,747
Contingency	500,000	500,000	1,614,740	2,114,740
Ending Fund Balance	-	-	-	-
Total	6,692,707	6,692,707	2,154,487	8,847,194

RESOLUTION No. 4541

Authorizing Staff to Convert District Facilities From Heavy Fuel Oil or Diesel Boiler Burners to Natural Gas Boiler Burners.

RECITALS

- A. Portland Public Schools has over 100 District facilities, 49 of these facilities are heated primarily by heavy fuel oil (hereafter PS300) or diesel through oil-burning boilers.
- B. There are 47 oil burning sites where changing the boiler fuel from oil to natural gas offers substantial operating cost savings.
- C. The proposed project scope includes:
 - 1. Replacing existing fuel oil burners with new natural gas burners,
 - 2. Replacing existing oil burners with dual fuel burners at select sites. Dual fuel burners can burn natural gas or diesel fuel. Significant fuel use at these 2-3 sites allows the District to take advantage of an available interruptible rate structure where temporarily switching to diesel fuel provides a rate incentive and saves the district additional money,
 - 3. Demolishing the interior oil distribution and pre-heating system,
 - 4. Required seismic stack modifications and/or stack liners,
 - 5. Required asbestos abatement,
 - 6. Ductwork and flue modifications,
 - 7. New gas meters and gas piping, and
 - 8. Decommissioning of existing underground storage tanks and fuel lines.
- D. Based on current fuel cost and past usage the estimated annual utility savings are approximately \$1.8 million.
- E. The estimated total cost to complete this project is \$9.12 million.
- F. Past boiler burner retrofit projects have resulted in considerable fuel consumption savings, as well as operational cost savings due to reduced maintenance demands related to the oil burners.
- G. The price of fuel oil and diesel has seen significant cost escalation in the last decade as compared to natural gas.
- H. Natural gas is less than half the cost on a per energy unit basis versus fuel oil at current rates.
- I. Local sourcing of PS300 is becoming more difficult and will likely drive heating costs up as supply sources diminish.
- J. PPS is the largest consumer of PS300 in the Portland Metro area, annually consuming about one million gallons and emitting nearly 10,000 equivalent metric tons of CO₂ into neighborhood communities throughout Portland.
- K. Staff has developed a preliminary project delivery plan that provides for most of this work to be completed prior to the fall 2012 heating season. The plan is predicated on pre-ordering materials and implementing a phased contracting strategy. If all of the work can be completed prior to the fall heating season, the District will immediately realize in FY 2012-13 full cost savings from the burner conversion project.

RESOLUTION

- 1. Based on the findings detailed in the recitals above, the Board of Education authorizes staff to:
 - a. Convert 47 district facilities from fuel oil or diesel boiler burners to natural gas boiler burners.
 - b. This action is predicated on a Board of Education authorization of a Boiler Burner Conversion project financing plan.

C.J. Sylvester/T. Magliano

RESOLUTION No. 4542

Settlement Agreement

RESOLUTION

1. The authority to pay \$45,000 is granted in a settlement agreement for employee L.B. to resolve claims brought under Workers' Compensation.
2. This expenditure will be charged to the District's self-insurance fund 601.

J. Patterson / B. Meyers

RESOLUTION No. 4543

Election of Board Chairperson

_____ is hereby elected Chairperson of the Board for the period January 24, 2012, until the first regular meeting of the Board in July 2012, and until, respectively, his/or her successor is elected.

RESOLUTION No. 4544

Election of Board Vice-Chairperson

_____ is hereby elected Vice-Chairperson of the Board for the period January 24, 2012, until the first regular meeting of the Board in July 2012, and until, respectively, his/or her successor is elected.